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Ethiopia

* Minister, Anglican Head Discusses Relief Effort

34000373A Addis Ababa THE ETHIOPIAN HERALD
in English 19 Jan 90 p 1

[Article: "Cde. Tesfaye Holds Talks With Anglican Archbishop on Relief Operation"]

[Text] (ENA)—Comrade Tesfaye Dinka, Alternate member of the Political Bureau of the CC [Central Committee] of the WPE [Workers Party of Ethiopia], Deputy Prime Minister and Minister of Foreign Affairs, yesterday received and held talks with His Grace, the most reverend and right honourable Dr. Robert Runcie, Archbishop of Canterbury, who is here on a working visit.

The talks centred on the drought situation now prevailing in various parts of the country and on ways of extending relief assistance to drought victims.

Comrade Tesfaye briefed Dr. Runcie on the unstinted efforts being made by the government for the prevalence of peace in the country and the various measures being undertaken to expand social and development oriented activities.

Comrade Tesfaye pointed out during the talks that the visit by His Grace Dr. Runcie will help strengthen the existing relations between the two countries.

His Grace Dr. Runcie on his part said he was impressed by development works and social service facilities which he saw during his visit and assured Comrade Tesfaye that the British people will continue supporting these constructive endeavours.

He also praised the churches for the services they rendered in the supply of relief to drought affected compatriots and in helping to expand social services.

* 178 Amnestied Rebels Receive 'Reeducation'

34000391B Addis Ababa THE ETHIOPIAN HERALD
in English 14 Jan 90 p 1

[Text] ASMARA (ENA)—One hundred and seventy eight persons who had served the evil causes of the EPLF [Eritrean People's Liberation Front] and TPLF [Tigre People's Liberation Front] in Eritrea and Tigrai Autonomous regions resumed normal life after receiving political education following amnesty granted to them by the government.

Eighty among those who surrendered after realizing the traitorous activities of the anti-unity and anti-peace elements belonged to the EPLF bandit group while 98 belonged to the TPLF bandits.

The amnestied persons pledged that they were determined to defend the country's unity from anti-people elements by rallying on the side of the Revolutionary Army and the People's Militia.

* Awraja Peasants Contribute to War Effort

34000372A Addis Ababa THE ETHIOPIAN HERALD
in English 17 Jan 90 p 1

[Article: "Fund Raised in Support of War Efforts"]

[Text] Gode (ENA)—Twenty-eight Kebele peasant associations in Kelafo Awraja, Ogaden Autonomous Region, on Monday handed over 15,000 birr in support of the war effort to defend the unity and territorial integrity of the Motherland.

The peasant associations took the voluntary fund raising initiative in support of the struggle being waged to end the separatist and destructive mission of the Weyane group.

Comrade Shewarega Bihonegne, member of the CC [Central Committee] of the WPE [Workers Party of Ethiopia] and First Secretary of the WPE Committee of the region received the donation from Comrade Ibrahim Hussen, chairman of the overall peasants association in the Awraja.

Comrade Shewarega praised as exemplary the financial contribution made by the peasantry in the Awraja.

Comrade Ibrahim Hussen emphasized the readiness of the peasants in the Awraja to more financial contributions and pay any sacrifice demanded of them in the effort underway to find a lasting solution for the problem in the northern parts of the country.

* Italian Officials Discuss Economic Cooperation

34000373B Addis Ababa THE ETHIOPIAN HERALD
in English 17 Jan 90 pp 1, 4

[Article: "Cde. Fasika Briefs Italian Official on Objective Situation of Ethiopia; Italian Delegation Briefed at RRC"]

[Text] (ENA)—Comrade Fasika Sidellil, Alternate member of the Political Bureau and Secretary of the CC [Central Committee] of the WPE [Workers Party of Ethiopia], yesterday held talks with the visiting Italian government delegation led by Senator Susanna Angelli, Under-Secretary of State for Foreign Affairs of the Republic of Italy.

Comrade Fasika briefed the delegation on the objective situation prevailing in the country, the measure the government is taking to build the country's economy and on government decrees governing joint ventures.

During the meeting held at the Council of Ministers, Comrade Fasika spoke of projects being carried out with Italian government assistance.

The discussion between Comrade Fasika and the Italian delegation focused on the economic cooperation between the two countries.

Present on the occasion were Comrade Yosef Muleta, member of the CC of the WPE and Minister of State

Farms Development, Comrade Merse Ejigu, member of the CC of the WPE and Minister in Charge of the Office of the National Committee for Central Planning, and Ambassador Sergio Angeletti of the Republic of Italy to Ethiopia.

Meanwhile, the Relief and Rehabilitation Commission (RRC) yesterday appealed to the Italian government to participate in the diverse efforts underway to withstand the effects of drought in the country in addition to continuing with its emergency relief assistance programme.

Comrade Yilma Kassaye, the RRC Commissioner, said when briefing members of the visiting Italian government delegation led by Senator Susanna Angelli, Under Secretary of State for Foreign Affairs of the Republic of Italy, that Ethiopia expected Italy to collaborate by providing transport facilities for the delivery of relief aid obtained from abroad and establishing spare parts garages. He added that such collaboration is sought in line with the country's strategy for the attainment of self-sufficiency in food and other development programmes aimed at helping those relying on relief assistance.

Elaborating on the present drought situation in the country, the Commissioner pointed out that some 2,000,000 people in Tigray and Eritrea Autonomous regions seek assistance according to information gathered so far. He said, however, that the figure may prove to be higher following the release soon of the results of a more detailed survey.

Comrade Yilma called yet again on the Italian government and the international community as a whole to continue with their relief assistance.

He also said that compatriots dislodged from their homes as a result of the organized banditry and terrorism carried out by the Weyane group have been sheltered in neighbouring regions and are being provided with relief aid.

It was meanwhile, reported that the Italian government has provided relief assistance valued at over 100,000,000 birr during the 1984-89 period.

*** Expansion of Textile Production Planned**

34000373C Addis Ababa THE ETHIOPIAN HERALD
in English 13 Jan 90 pp 1, 3

[Article: "Textiles Corporation Urged To Make Greater Efforts"]

[Text] (ENA)—Workers of the National Textiles Corporation were reminded here yesterday that, although the performance of the factories operating under it during the first six months of the current budget year was satisfactory in comparison to that of the comparative period last year, greater efforts should be made in the course of the remaining half of 1982 E.C. to meet planned targets.

Comrade Tadeos Haregework, Minister of Industry said during a meeting organized to assess the corporation's past, present and future activities that the implementation of the planned targets is based mainly on the production of cotton which, he noted, has shown marked improvement during the first half of the year. He called on all workers and administrative and executive staff in the industrial sector of the economy to coordinate efforts in the campaign underway to collect cotton harvest in time.

He pointed out that although performance during the first half of the year in the export of textiles and textile products had shown some improvement, it nonetheless represented only 32 percent of the planned target. Greater effort towards increased production and productivity should thus be exerted during the remaining half of the year, he said.

Comrade Tadeos also said major construction and expansion work is being carried out at the Arba Minch Textile Factory, the Debre Berhan Blankets Factory and the "Edget" Cotton Yarn and Thread Mill as part of the drive to enhance the role of the industrial sector in overall economic growth.

The Minister pointed out that short and long-term plans provide for the improvement and expansion of the Akaki, Dire Dawa, Awassa, Adey Abeba and Asmara Textile Factories as well as the implementation of the corporation's second-stage project.

He also said a stage-by-stage construction of a central textile technology centre is on the drawing board in order to meet the increasing sophistication in the field.

A study into the expansion of the clothes industry during the next five years will likewise be launched, Comrade Tadeos said.

Comrade Bekele Haile, the general manager of the corporation, pointed out on his part that, given the various problems and constraints that had been countered during the period under review, the performance during the past six months is not to be underestimated.

He said that the planned project of producing textile goods valued at 206,475,000 birr, 85.6 percent was realized. This represented a 45 percent increase over that of the corresponding first half of the previous Ethiopian budget year, he said.

Domestic Sales amounted to 230,475,000 birr, showing an increase of 24 percent over that of the first half of '98 E.C., according to the general manager.

In terms of revenue from the export of textile products, however, the figures were 12,169,700 birr, compared to the planned target of 17,316,000 birr. Even so it represented an increase of 43.8 percent when compared to the production during the corresponding period in 1982 E.C.

The National Textiles Corporation now manages 19 factories in two autonomous and five administrative regions and deploys a workforce of upwards of 35,000.

*** Imports Damaged by Lack of Storage Facilities**

34000372C Addis Ababa THE ETHIOPIAN HERALD
in English 13 Jan 90 p 1

[Article: "Transport Office Says Over 200 Tons of Goods Exposed to Damage Due to Shortage of Facilities; Blames Proprietors for Failure To Collect Them in Time"]

[Text] (ENA)—The Addis Ababa Air Transport Office of the Customs and Excise Tax Administration announced here yesterday, that its storage facilities are congested and that over 200 tons of goods are now exposed to the vicissitudes of weather.

It blamed proprietors of the imported commodities for failure to collect them in time and warned them to report to the office without further delay to avoid serious damage.

Comrade Nahusenay Ambelu, head of the stores, pointed out that the consignments now lying in the open are of critical importance to the country and said government agencies, international relief organizations, and private business firms have failed to respond to repeated warnings and notices.

He said relief agencies in particular have been delinquent in the collection of their goods and services as some of them feel secure in the knowledge that they pay no storage fees. On the other hand, Comrade Nahusenay stated, these relief supplies are of critical need at this particular juncture.

He availed himself of the occasion to note that the Addis Ababa Air Transport office's storage capacity at the present is only 1,200 square metres, compared to the actual need for 6,000 square metres.

*** Unseasonal Rains Threaten Grain Harvest**

34000372B Addis Ababa THE ETHIOPIAN HERALD
in English 12 Jan 90 pp 1, 2

[Article: "Harvest Campaigns"]

[Text] (ENA)—Harvest campaigns are being conducted in various parts of the country as part of the massive drive to prevent serious crop damage as a result of unseasonal rains that reportedly threaten several regions.

In North Gondar Administrative Region grain harvest on over 252,600 hectares of land was collected. The plan, worked out by the regional office of the Ministry of Agriculture, is to collect crop on all the 407,958 hectares cultivated this year.

Harvest collection tools have been distributed among the peasantry under the direction of local party and government officials in order to expedite the process.

Also in Arssi Administrative Region, students and teachers in Chilalo, Arba Gugu and Galema Awrajas joined the peasantry recently in collecting harvest in time.

Arssi is a major grain producing area and bumper crops are expected from state farms, peasants cooperatives and individual holdings.

In a similar development, maize harvest under the Gejeb Agricultural Development Project in Bonga Awraja of Kaffa Administrative Region has been successfully stored in state and peasant cooperative silos. fifteen such cooperatives—come under the preview of the project.

Over 27,00 people, including members of the Sigsega resettlement centre, are reported to have been mobilized in the collection of grain on 591 hectares of land.

Similarly, the Southern Agricultural Development Corporation has intensified its harvest collection campaign in Sidamo, Bale and Arssi Administrative regions to offset the effects of untimely rain.

Comrade Makonnen Asres, general manager of the corporation, pointed out that the rains had hampered the full deployment of harvest collection combiners for the prompt collection of wheat and barley crops. He added that this necessitated the mobilization of additional manpower.

Agriculture workers deployed in the state farms are exerting unstinted effort to collect the harvest from the farmlands by coordinating the inhabitants of the localities, according to the general manager.

Comrade Makonnen said that the continuation of unseasonal rains had hindered grain collection over 2,000 hectares at the Sirufto and 1,000 hectares at the Belito agricultural development projects.

The general manager pointed out that of the total of 450,000 quintals of wheat and maize crops to be collected from 75,885 hectares, 140,000 quintals of grain were transported to warehouses.

Comrade Makonnen emphasized that the deployment of large numbers of trucks and the quick response of grain purchasing organizations would expedite the timely collection of grain.

*** Borta Dam Begins Operations in Keleme Awraja**

34000391A Addis Ababa THE ETHIOPIAN HERALD
in English 10 Jan 90 p 1

[Text] Nekampt (ENA)—The Borta dam built at a cost of over 2 million birr in Keleme Awraja, Wollega Administrative Region and with the potential to develop 700 hectares through irrigation, has begun operation.

The 700,000-cubic-metre capacity dam will benefit over 6,000 peasant families promote agriculture.

Various species of fish were introduced into the dam to acquaint the peasant with the habit of fish breeding.

Comrade Tesfa Defa, First Secretary of the WPE [Workers Party of Ethiopia] committee for the awraja, emphasize the importance of the construction of the dam towards strengthening modern farming methods and transform the livelihood of the peasants in the area.

The Bethel Synod Relief Agency provided financial and material assistance valued at over 2 million birr for the completion of the dam and promoting horticultural development.

Somalia

* Officials' Visit to South Africa Unconfirmed

34000350A Johannesburg THE CITIZEN in English
10 Jan 90 p 13

[Text] The SA [South Africa] Department of Foreign Affairs could not confirm yesterday that three senior Somali officials had recently held talks with government officials, including Foreign Minister, Mr Pik Botha.

Exiled Somali sources in London earlier told Sapa the Chief of Staff and son of the Somali President, Mr Maslahah Said Barre, the Deputy Chief of Staff and Head of the Navy, Mr Said "Marino" Ali, and the permanent secretary in the Ministry of Foreign Affairs, Mr Ahmed "Qaybe" Mohammed, had spent three weeks in South Africa in November/December.

They allegedly stayed incognito at a hotel in Pretoria and made a brief tour of the country's armaments factories.

The three were also said to have held talks with Foreign Ministry officials, including Mr Botha, in Pretoria.

However, a Foreign Affairs spokesman said yesterday "the names did not ring a bell".

"There is a Somali national who has been staying in South Africa for the past three years, and Somalis come and go quite often.

* AFP Correspondent Reports SNM Strength

90EF0207A Paris AFRIQUE DEFENSE in French
Jan 90 pp 14-16

[Article: "Somalia: A Real Army"]

[Excerpts] The AFP correspondent reported the following from the Hargeisa district on 16 November: "Insurgents of the Somali National Movement (SNM) in the northern part of the country are fielding a well-equipped people's army against the Siad Barre regime, AFP observed during an 18-day tour of rebel zones. The whole area between the Djiboutian border (extreme northwest) and SNM's headquarters south of Hargeisa, the provincial capital of the north, is under the control of

several thousand heavily armed combatants who have strong support among the sedentary and nomadic people of the area, first-hand observation disclosed. Every town and village traversed—Zeila, Garissa, Gergera, Issa Sudan—was occupied by a rebel unit composed of 30 to 80 men armed with AK-47 assault rifles, M-16's, G-3's or FAL's, often equipped with vehicles carrying heavy weaponry. Every merchant, nomad, and adolescent older than 15 is armed and committed to putting an end to the 20 years of President Siad Barre's 'dictatorship' and 'repression.' SNM leaders refuse to say how many troops they have, though the International Institute of Strategic Studies estimates their numbers at about 10,000. The Somali army has 60,000 men, according to the same source. All the combatants observed had full magazines, and most carried a satchel containing four 30-cartridge magazines.

"The SNM also has many heavy antitank and anti-aircraft weapons. The antitank weaponry appears to consist mostly of Soviet B-10 tubes and RPG-7's. For air defense, the SNM has Soviet 40-mm and 43-mm guns, several dozen Soviet ZU23-2's, and twin-mounted 30-mm ZU30-2's. The movement claims its guns shot down two Chinese-made MiG-19's this year. The wreckage of those two planes can still be seen west and southwest of Hargeisa, it was noted. There is no shortage of shells for all this ordnance, which is mounted on trucks and jeeps. In addition, the SNM has 120-mm mortars and several dozen Toyota 4x4 Land Cruisers, ideal for (motorized) guerrilla warfare.

"Movement leaders say all these arms were captured from the enemy. The rebels also have ample fuel and food, most of it coming from Ethiopia. About 400,000 Somalis have fled just across the border to Ethiopian refugee camps, from which provisions are sent across to the guerrillas.

"In the months since its major offensive in late May 1988, the SNM has taken control of almost the entire northwestern part of the country. Its control extends as far as about 50 km east of Erigavo, movement leaders say. SNM does not control the big cities: the strategic port of Berbera, Hargeisa, Burao, or Borama. But the rebels are laying siege to them, and AFP observed emplacements less than 5 km from Hargeisa.

"Currently the fighting is on four fronts, according to the SNM's defense minister, Abdullahi Askar: Borama, where several thousand militia from the Gadaboursi tribe are supporting government forces; Hargeisa, abandoned by its former civilian inhabitants, where government troops control the airport; Bu'ao in the east; and Berbera, where the United States has military facilities, only 20 km from SNM positions. Fighting has also taken place at Adile along the asphalt road connecting Berbera and Hargeisa. Both there and on the road between Hargeisa and Borama, rebels have attacked government troops bringing convoys of supplies.

"The SNM's ranks are constantly being swelled by the arrival of deserters, it was noted. Last week some 68 soldiers, including four colonels, arrived to join forces with Colonel Ahmed Omar Cheiss, who told AFP that in June he had deserted his post (chief of general staff for the northern sector), taking 200 men with him.

"The insurgents, who can cover incredible stretches of ground on foot, are highly motivated and perfectly familiar with the terrain. Their main problem is the lack of radio communications, in a country where entire regions are cut off during the April to June rainy season.

"Although most of the weapons seem to have been captured from the enemy, as SNM claims, the large stocks of ammunition suggest the rebels have external supply lines, probably from Ethiopia. SNM claims it receives no foreign aid, except for financial support from Issak exiles based in the Middle East and London (Issaks are the most numerous clan in the SNM). But one officer who deserted admits the SNM is getting 'some aid' from Ethiopia, notwithstanding the April 1988 peace agreement signed by Mogadishu and Addis Ababa, which provided that Ethiopia was to end its support for the SNM.

"The Barre regime faces another threat in the south, where the recently formed SPM (Somali Patriotic Movement) has taken control of areas near the border with Kenya."

The AFP correspondent reported the following from SNM headquarters on 19 November: "In its war against the Mogadishu regime, the SNM appears to be a guerrilla movement with no ideology, politically weak despite its military successes on the ground, in the view of journalists who have just returned from the rebel zone. Since its creation in London in 1981, the SNM has been engaged in an armed struggle for an 'alternative democratic solution and the re-establishment of justice in Somalia,' said Mr Ahmed Mohamed Silanyo, president of the movement, in an interview with AFP at SNM headquarters south of Hargeisa. 'The brutality of the Siad Barre regime is unparalleled anywhere in the world,' said Mr Silanyo, claiming government troops in northern Somalia have killed or wounded more than 50,000 people in the last 18 months, many of them by indiscriminate bombing of civilians. Given the attitude of the Mogadishu regime—which has 'abandoned the north to underdevelopment' and has always considered the Issaks, who make up the majority of the region's population, a 'threat to the central government'—the SNM attracted more recruits with every passing year, until finally in May 1988 it launched a vast offensive against the main cities in the north, including Hargeisa. The movement, though quickly forced to abandon its positions, has since taken over a great deal of territory between the east and the Djiboutian border, as well as several smaller localities such as Zeila and Loyada.

"The territorial gains contrast sharply with the absence of political institutions in liberated zones, which are

crowded with thousands of young combatants who most of the time are left to their own devices, according to observations made in the field. The SNM's political objective is to establish an 'egalitarian multiparty system' and hold free elections, said Mr. Silanyo. The movement supports the principle of nonalignment and 'does not want to be anyone's satellite,' he added. But most young soldiers questioned were unable to describe clearly what their organization stands for. 'People are fighting, but they don't know why, except that they want to beat the enemy,' said one SNM intellectual. 'All these ideas about democracy are just so many words. Nothing has been put into practice,' he added. The SNM militants, who are moderate Muslims, reject any form of fundamentalism and often forget to perform their obligatory prayers, it was noted. On the international scene, they do not seem likely to ally themselves with either the Soviet Union, which in the past supported the regime in power, or the United States, which took the USSR's place in Mogadishu when the Ogaden War broke out in 1977. 'First of all, we fight; later we will decide,' said one SNM combatant, Ibrahim Ahmed Moussa. The young Somali rebels look to Afghanistan for inspiration. 'We are the mujahidin of the Horn of Africa,' one of them said. The lack of political organization is accentuated by the fact that 'no real military leader has emerged so far from the fighting,' according to the intellectual, who asked not to be identified. Mr. Silanyo, a cabinet minister under President Barre until 1982, has no experience in military command, and his authority within the SNM has been challenged several times. There are only seven soldiers in the movement's 47-member central committee, all of them colonels who deserted from the regular army—not combatants who worked their way up through the guerilla army's ranks. Likewise, all but seven central committee members belong to the Issak tribe, which has supplied most of the troops for the insurgency. This year the movement signed an accord with a neighboring tribe in the struggle against the central government. Many of the high-ranking military deserters belong to the Ogadeni tribe, the predominant ethnic group in the regular army. All the same, the SNM is clearly an Issak-dominated organization. The political future of the movement will ultimately depend on its ability to attract broader support from other tribes in the country, according to observers on the scene." [passage omitted]

In November talks were held regarding the creation of a front that would bring together the main rebel movements, the SNM and the SPM, said Mr. Abdirrahmane Mohammed Sheikh Mahdi, a member of the SPM central committee. Five SPM members met with SNM leaders during a central committee meeting at the latter's headquarters south of Hargeisa. "The SPM is ready to unite with the SNM and other movements. We think it desirable to create a united front," Mr Mahdi told AFP. "The first talks have been held on the subject of unification. We want to join with movements that have a real presence on the ground," he added. The SNM, with its 10-20,000 combatants, controls about half the northern

part of the country. Established in 1981, it is mostly composed of members of the Issak tribe, the most populous in the north, but also includes armed elements of the Issa tribe as well as numerous Ogadeni deserters from the upper echelons of the regular forces.

The SPM was established by deserters in March 1989 after a mutiny of Ogadeni elements in the Kismayo garrison in the south. The movement controls parts of the frontier with Kenya, along with the Bas Jubba and Bokol regions near the Ethiopian border, said Mr. Mahdi. SPM's top leaders are the renegade Colonel Bechir Ali Salaad, known as Biliqo, and Mr Omar Malim, a former legislator, the same source added.

Turncoats

During November four colonels and 64 officers and men joined up with the rebels at SMN headquarters, near the Ethiopian border in the north, according to an AFP journalist and photographer who were on the scene. On November 12, in the town of Khader, not far from insurgent headquarters, the initial group of 37 deserters arrived in two trucks and a Land Rover stolen from the regular army. The others arrived the following day. The deserters were welcomed by salvos of automatic weapons fire and spontaneous popular celebration in the village. The arrivals were immediately greeted by Colonel Cheiss, former chief of general staff for the northern sector. The four new rebel colonels were Omar Abdullahi Egal, commander of the 56th Brigade; Haibe Omar Magan, 47, chief of the maintenance shops at Galcaio; Lieutenant Colonel Ibrahim Ismael Noor, chief of training for the 4th Division; and Lieutenant Colonel Muhiyadin Moalim Ali, a war college instructor at Galcaio. Most of the arrivals were from that area, they said, deserting their post (and taking their light arms with them) on 30 October with the help of a local SNM unit. Almost all were still wearing their uniforms when they turned up at SNM headquarters south of Hargeisa, 3 km from the Ethiopian border.

According to Mr. Abdullahi Askar, the SNM's defense minister, 188 soldiers, ranging from simple enlisted men to colonels, have joined the SNM in the last 2 months. No generals had yet deserted, he indicated. In all, several thousand of the 65,000 men in the regular army have deserted since the SNM launched its major offense in the north in late May 1988, according to independent sources. Most of the 68 new arrivals were Issaks, like the majority of troops in the SNM as a whole.

Colonel Magan said the regular army was demoralized, and the soldiers had not yet been paid for September or October. Col Cheiss, 40, an Ogadeni, said he deserted on 30 June, accompanied by some 200 men, including another Ogadeni, Colonel Mohamad Sheek Khalif, who showed his identification papers to AFP. Two colonels who deserted on 6 August were also to be found at rebel headquarters. These were Colonel Ahmed Noor Farah, known as Dirane, an Ogadeni posted in the central region, and Lieutenant Colonel Farah Elmi Abdi, known

as Qudable, a member of the Hawiye clan. Most of the high-ranking deserters now hold positions of command in the SNM.

Also among the deserters was Colonel Mohamad Hassan, known as Jedif, now in command of rebel sector 99, which extends from Loyada on the Djiboutian border to the outskirts of Berbera. In an interview at Zeila in the far northwest, Col Jedif said he had been arrested seven times between 1985 and 1988 because of his Issak origin. He also claimed that in 1987 at the Mandera camp he had been tortured with a laundry iron and a helmet of East German manufacture that gave out electric shocks.

Several high-ranking officers, including Col Salaad ("Biliqo"), had joined another insurgent movement, the SPM, which was recently established in the south. Biliqo was considered the military leader of the new formation.

The AFP correspondent reported the following from Gergera, in northern Somalia, on 17 November: "They are about 20 years old, carry Kalashnikovs, and already have several years of fighting experience behind them. The young Issaks from northern Somalia live only to fight against the regime of President Mohamed Siad Barre. In the village of Gergera, at the halfway point in an 18-day tour of the insurgent zone by a photographer and a journalist for AFP, there has been no fighting since December, when the SNM routed the government's troops. Most of the several thousand inhabitants in this remote part of the savannah close to the highlands of northern Somalia fled to the refugee camps in Ethiopia. The houses and the huts have been destroyed. The main street is cluttered with broken furniture and rubbish. A few dozen nomads pasture their dromedaries near the ruins of the village. At the side of the road leading to the besieged provincial capital of Hargeisa, about 20 mujahidin are drowsing off in the heat of the day, assault rifles nestled between their legs, surrounded by a motley pack of famished-looking cats. Smashed into the hillside about 10 meters away is the wreckage of a truck, its interior ripped to shreds. Two days earlier it was hit by an antitank mine. In the courtyard of an abandoned house, rebels show the visitors two other hidden mines unearthed in the village, explaining that the driver of the truck had been killed and several passengers wounded.

"As they do at all SNM posts, the 80 or so combatants at Gergera live in almost complete isolation, surviving on meager rations of rice and dried camel meat, in addition to the mujahidin's basic diet of cigarettes, heavily sugared tea and 'khat,' a sort of alkaloid mishmash they chew during siesta time. 'Around here everyone is for the SNM,' and everyone wants to make war against the 20-year-old Barre regime, they say. Northern Somalia suffers from chronic underdevelopment: no electricity in the villages, no asphalt roads or bridges in a region frequently cut off by torrential rains. The Issaks, the largest tribe in the north, believe the Marchand-dominated government in Mogadishu has left them to sink or swim. According to Abdullahi Ahmed Bileh, 20, 'the Barre family calls all the shots in Somalia.' He also

tells how his uncle was killed in 1984 by the army, 'which wanted to take over the house of a friend,' another Issak. In several villages liberated by the SMN, some of the 400,000 refugees who fled to Ethiopia have returned. One of them is Habiba Ahmed Yussuf, a fiftyish woman who says she left the Ethiopian camp at Hartishek for the village of Elinta Dehne near Hargeisa, where 'the SNM is protecting us.'

"What a strange war the SNM is waging against the regime! Of course, everyone derides the 'faqash,' the enemy, but the word does not express any particular enmity. According to one of the mujahidin, a faqash is 'a kind of dullard, someone who doesn't understand anything.' The civil war divides men who speak the same language, share the same culture, and espouse the same Sunni Muslim religion. Several unannounced visits to prisoners confirmed the fact that the SNM practices a policy of integration. At Toqoshi, near Zeila, two dozen prisoners of war were getting the same rations as their guards; none of them was in chains, and some even participated in SNM battle training.

"In Garissa, 100 km south of Zeila, the SNM intercepted a caravan of 43 men, women and children (along with 70 dromedaries) who were going to resupply the town of Borama, still controlled by the regular army. The prisoners, members of the Gadaboursi, a northern tribe that has remained loyal to President Barre, were now camping on the outskirts of the town, guarded by 16 armed SNM militants. Their rice and sugar have been confiscated, but none were tied up, and all said they have been well treated.

"The warrior tradition is all-powerful among the nomadic tribes, a fact that often leads to 'incidents' in villages where hundreds of young men loiter unsupervised, guns slung across their shoulders. Here, far from the front lines, shooting incidents are not infrequent. In one village near Hargeisa, two mujahidin chiefs argued over a truck. A crowd gathered, and all at once there came a clicking sound as dozens of men released the safety catches on their Kalashnikovs. Bloodshed was narrowly averted. Two days later in a nearby hamlet, a scuffle broke out over a jeep stolen from the regular army. Before it was over they were using hand grenades; there were two fatalities, one of them a child."

At the Gates of Hargeisa

The AFP correspondent reported the following from Haraff, near Hargeisa, on 18 November: "On the small hillside settlement of Haraff, 5 km southeast of Hargeisa, SNM rebels have set up their observation post in preparation for an offensive to recapture the northern provincial capital from President Barre's troops. This sand-scoured elevation dotted with thornbushes overlooks a vast panorama, and in the distance the rows of Hargeisa's habitations can be seen nestled between the mountains. In the nearest row one can clearly see the white line of government buildings, and on the horizon looms the distinctive silhouette of Naso Hablot (the

'breasts of the Virgin'), the city's symbol. 'Four SNM divisions surround the city,' explains Colonel Omar, Hargeisa's former commandant and a deserter from the regular army. Government troops control the airport and the Darar Weine garrison east of the partly destroyed city, whose 80,000 former inhabitants are now in refugee camps. SNM commandos infiltrate into Hargeisa at night to reconnoiter, but the fighting has stopped for the moment, said Omar from his hilltop lookout. Though Omar refuses to say how many rebel troops are in place around the city, the government—according to SNM's defense minister, Col Askar—has nine divisions at Hargeisa, about 3,000 men, 25 Soviet tanks, BM-21 rocket launchers, a Cessna reconnaissance plane, and one operable MiG-19 fighter-bomber. The wreckage of the two Chinese-manufactured MiG-19's the SNM claims to have shot down this year can be seen several dozen kilometers from the city.

"Of course, SNM leaders will not admit Hargeisa is their top military priority. The guerrillas entered the city on 31 May 1988, several days after launching their great offensive in the north. The SNM claims its 29 August departure from Hargeisa was a tactical retreat. According to the Mogadishu government, however, the SNM was forced out in June, after destroying 80 percent of the city's infrastructure. Several witnesses have accused the government of subjecting the civilian population to intensive bombing that inflicted numerous casualties. Eid Ahmed Alim, a 12-year-old boy who lost his right arm, told AFP he had been wounded in July 1988, during an aerial bombardment of Hargeisa, the same day his father was killed.

"Since withdrawing from the northern capital, the rebel movement has taken control of many villages between the Djiboutian frontier and the eastern extremity of former British Somaliland, but the big cities remain under government control. Taking the provincial capital would be a major psychological victory for the SNM, which is fighting for a 'democratic alternative to the Siad Barre dictatorship.' The most recent fighting in the vicinity of Hargeisa took place on 11 October, on a hill near Haraff where the SNM claims to have killed 56 soldiers and destroyed six vehicles, including a Soviet-made tank. Five guerrillas were killed, according to the same source. One of SNM's objectives is to secure control of the road connecting Hargeisa with Borama to the west and the road northeast to Berbera, which the northern provincial capital depends on for resupply.

"Government forces have mined the approaches to the Borama road in an effort to discourage rebel ambushes, it was noted during an 80-km march around Hargeisa under SNM escort. But the Berbera road was even more difficult to negotiate, at least during this particular day-long march. At one point before noon during the excursion, an AFP journalist and photographer came under fire from regular forces and had to beat a retreat to a nearby village. The rebels then organized a new convoy supported by a 40-mm gun mounted on a truck, two jeeps equipped with antitank guns, and 90 men

deployed in the hills. According to SNM leaders, such incidents are common on the Berbera road when the government is preparing for the arrival of resupply convoys."

The Fall of Hargeisa

On 7 December, SNM forces claimed that two days earlier they took the city of Hargeisa in the northwestern part of the country. The SNM said the city was taken with the help of defecting government troops. Large quantities of heavy arms and ammunition were seized by the rebels.

The town of Erigavo, capital of Northeast province, had been taken the previous week, said the SNM, adding that its forces continued to lay siege to the port of Berbera as well as Burao and Borama in the north.

Subsequently, SNM leader Silanyo issued an appeal to all Somalis to join in the struggle for national liberation. The SNM also called on troops loyal to the Mogadishu regime to surrender and avoid a blood bath.

The AFP correspondent reported the following from Zeila on 22 November: "SNM rebels have occupied the historic port of Zeila in northwest Somalia. But this small city is only a shadow of its former self. Its sole inhabitants are a few dozen idled combatants who periodically get worked up about an imaginary attack. Once the jeep is turned off and the mujahidin have laid their rifles down in front of the mosque—closed now for lack of worshippers—the dead city is once more enshrouded in silence. The silence surrounds the visitor who dares to venture into the magma of sheet metal, planking and sun-blasted debris. In early May, when the SNM drove President Barre's troops out of Zeila, the city's 6,000 inhabitants fled leaving all their goods behind them. Every last hovel in the shantytown has been sacked, its contents strewn out on the salt-whitened sand. Refrigerator doors stand open; clothes, stiffened by the spindrift, hang from the walls; and the power poles have been taken down. Zeila, once a religious and commercial center noted for the export of incense, no longer even has drinking water. The small 50-man mujahidin garrison depends on tank-truck deliveries from Loyada—also under SNM control—on the Djiboutian border. At sunset the wind from the Gulf of Aden picks up. A macabre music rises from the corrugated iron remains of the abandoned habitations. Hundreds of cats, who have stayed on despite the absence of water, mill about in hopes of handouts at the harbor master's headquarters, a multistory stone building, which by comparison with the rest of the town looks actually attractive.

"About 20 SNM fighters are busy around a camp kettle in the courtyard. Resupply is infrequent, and when there is no rice they have to content themselves with shark steak or sea turtle—an indignity for self-respecting Somali warriors, in whose traditional view camel meat is the only proper food. Admiral Hassan, commander of the SNM's small flotilla, has even eaten crab, a practice his compatriots consider shameful.

"After the evening meal, they wrap themselves up in their kincloths under a canopy of shooting stars. They also cover their heads, because every morning when the sun rises at 0545 hours the city is attacked by an army of flies that pounce on any bit of exposed flesh, fastening themselves to sleepers' eyelids and the corners of their lips. Hassan—who with his rugged profile looks for all the world like a character from the stories of Henry of Monfreid—is probably the only mujahidin who enjoys life in Zeila. He commands a dhow armed with a Soviet machinegun captured from the regular forces, and a speedboat with an outboard motor. It was in this craft, in early November, that he intercepted two boats, including a 13-meter dhow that was snooping around the harbor without authorization. "They were spies, pretending to be fishermen but actually collecting intelligence for the government," Hassan angrily explained. The other guerrillas in this small garrison do not share his nautical enthusiasm. Some of them, impatient to engage the 'faqash', want to leave this miserable hole behind; they want to go to the front at Hargeisa, provincial capital of the north. Others dream of Djibouti and its nightclubs. Everyone is becoming a little unhinged by all the waiting and boredom. One young rebel, a cotton scarf falling on his shoulders, monitors communications of the regular army on a short-wave radio. Two combatants pass the time on the watch tower of the harbor master building, scanning the horizon north to the sea and south to the desert as if they were playing in a Somali version of 'Desert of the Tartars.'

"The enemy is far away. The fighting has moved to the big cities further east—Hargeisa, Burao, and the port of Berbera. Sometimes the silence is broken by gunfire—a burst of automatic weapons or a shot fired by one of the two 120-mm mortars set up on the beach. "Someone heard a suspicious noise and fired. But it was probably a hyena," confessed one guerrilla, putting the safety lock back on his Kalashnikov." [passage omitted]

* SNM Soldiers Explain Motivations

90EF0219A Paris LE MONDE in French
25 Jan 90 p 7

[Article by Catherine Simon, special correspondent in Hargeisa]

[Text] Hargeisa (northern Somalia)—A mere 13 years old, Mohamed Osman Elabi is the youngest recruit at the military training school in Toghoji, one of several cities in the coastal region "liberated" last May by the Somali National Movement (SNM). He has become the school's mascot. There is no joy in his eyes and he speaks in a thin, young voice. "Siad Barre does evil things. He robs the poor of their money, he roughs up the Issaqs and steals their livestock. He is a plunderer," he boldly recites, while his elders sitting on the dusty ground listen intently.

"Here, I am learning how to fight with rifles, knives, things like that...." Does he know any poems? Any songs? No, "but as soon as I have the time, I will study.

I want to be a schoolmaster in Hargeysa." In the meantime, he is fighting alongside his "brothers." He has already killed and is willing to go back into combat: "I am not afraid of being killed or wounded. I am not afraid of anything. Why should I be afraid?"

In the Somalia resistance, not all the mujahidin (soldiers of God) have this young Toghoji warrior's glacial aplomb. But many crossed the border as he did in 1988 to enter the SNM's camps by the thousands. Some come from Djibouti and Kenya; others from Arab and North African countries.

Abdallah, a 23-year-old topographer, tells his story: "I arrived just after May 1988 and the big offensive. It was the battle of Hargeysa that decided me. I said to myself, 'This is it. The guerrillas are finally coming out of Ethiopia and things are happening in Somalia. It's now or never.' So, I left everything behind."

Hussein, age 32, did not have as far to go. Once a nomad, he used to graze his camel herd in the wadis at the base of the famous "Nasr habloods," the two mountains (or "breasts" as they are known here) that closely frame the capital city of northern Somalia. Even though livestock is returning to the "liberated zones," Hussein remains faithful to his Kalashnikov. Rachid, a 26-year-old mechanic, has somewhat mixed feelings: He spent several years in the brush and has been hit by four bullets. The last one, from April, still gives him pain and "bothers" him at little when he runs. Rachid, Hussein and Abdallah, unlike the younger ones, are not embarrassed to admit their deep fear in combat.

Fear of Dying

"Even if you are highly motivated, even if it's your 100th battle, you are always afraid of dying. Always." Some, like Yusuf, readily admit their antimilitarist feelings. "To take up arms was a very difficult decision for me to make," he explains. He wears dirty jeans, a leopard combat shirt and a green wool cap, Rastafarian style, over his thick head of hair. The anger is visible in his raised shoulders as he says, "How can you live when your freedom is subject to the arbitrary whims of soldiers? The only language they understand is the language of weapons."

Despite their different paths and often conflicting visions of the world, the young mujahidin share the same hatred for the Somalia Government and its president. Not one of their families is unscathed by the war. Not one of them has not seen an uncle killed, a sister raped, a cousin imprisoned, relatives in exile. Wherever they come from, they also share a loyalty to Islam and its values.

Perched on trucks that transport them close to the fighting, the young guerrillas can be heard chanting at the top of their lungs: "In the name of the prophet and the faith, young people, unite your blood and drive out the tyrant and the murderer." Muslims, each and every one of them. But, to varying degrees.

The Shari'ah? Why Not

Those who have traveled or studied abroad speak either English or French. "We read NEWSWEEK, LE MONDE, whatever comes into our hands," says Abdallahi, age 22, nicknamed "Schumacher" for his skill at soccer. Abdallah, who knows Rousseau and Voltaire, recalls with nostalgia the last book he read: "It was 'The Plague' by Camus." Here as everywhere else in Africa, when evening comes, they gather around the radio in a ritual. "Of course we are interested in Berlin and East Europe," exclaims Schumacher ardently.

"It proves that socialism is not a good thing. Socialism is poverty. I have been to Ethiopia and Djibouti and I could see the difference clearly." The fact that Ethiopia has become one of the SNM's weapons arsenals does not bother him in the least. "Ethiopia helps us without asking us to become socialists. We are neither pro-socialist nor prodemocracy. Our goal is Islam," insists the soccer playing mujahidin.

He himself is in favor of the establishment of an Islamic state "like Kuwait or Iran," and the enforcement of Islamic law, the shari'ah. The idea of cutting off the hands of thieves does not frighten him; neither does the exclusion of women who are totally absent from the ranks of the SNM. "Reactionary?" he echoes in surprise. "Women can cook and care for the wounded, but they do not have the right to fight in a war. That is Somalia tradition." The only matter of importance is "to drive out Siad Barre. Then we will see about the rest," he states with candor. It is said that the "minister" of religion and justice is one of the SNM's most popular figures among the mujahidin.

Hard-line Muslims, although still a minority in the Somalia guerrilla [movement], complicate matters for the spokesmen of a movement that officially claims to be in favor of democracy and respect for human rights. "I am for a united Somalia, where the people will be able to freely elect their government," argues Abdallah. "If we are in favor of reuniting the country, that means we are mindful of the diversity of views. We have to be," he emphasizes. According to him, the attempts to apply the shari'ah, which has been introduced in the "liberated zones," are merely "provisional." Perhaps.

In the context of terror, insecurity and disorder in which Somalia is now struggling, recourse to Islam—the only link to salvation—comes as no surprise. The economic, political, and moral chaos reigning in Somalia points to difficult days ahead. The disruption is long term. "Only the Romanians can understand the Somali system," says Abdallah, breaking into a laugh.

* Romanian Firm To Exploit Mineral Resources

34000371A Addis Ababa THE ETHIOPIAN HERALD
in English 18 Jan 90 p 6

[Article: "Extent of Somali Gold, Silver Deposits To Be Announced Soon"]

[Text] Mogadishu (Reuter)—Romanian experts are due to give their verdict next month on the quality and quantity of deposits of gold, silver, tungsten and other minerals found on the site of a planned oil refinery in Somalia, the head of the refinery project said Friday.

Haji Mohammed Hashi Haile said experts from the Romanian firm Rompetrol-Geomin had taken samples from the site at Jesira, on the coast south of Mogadishu and would announce their findings at a meeting in Bucharest on February 17.

Haile said his firm, Haji Mohammed Hashi Haile and Company Limited, has been granted a prospecting permit by the Somali government.

He said his firm would start detailed exploration work after the Bucharest meeting, which the World Bank, European Investment Bank, Islamic Development Bank and other financial institutions have been invited to attend.

Romania had agreed to provide specialised personnel, drilling rigs and gold concentration equipment to extract and refine the minerals, which were found early last year, he added.

The 500 million dollar refinery project is due to be built by Romanian firms on behalf of a partnership comprising Haile's firm and the Al Sultan Trading and Construction Company of Saudi Arabia.

Tanzania

* Nation's Economic Reform Program Examined

34000438 Harare THE SOUTHERN AFRICAN ECONOMIST in English Dec 89-Jan 90 p 35

[Text] The country has faced a number of problems in implementing the Economic Recovery Programme. There have been problems over balance of payments management. Instead of repaying our debts we are rescheduling and thus accumulating arrears. Our foreign exchange earnings have not increased since 1986, mostly because of falling world market prices and the failure to export large volumes of crops because of transport problems. The farmers have also attained their maximum production using their present level of technology.

We have devalued our currency to 145 shillings to the dollar, but the parallel rate is U.S.\$1 to 245. How do you reconcile these? The IMF recommends that the official rate should match the parallel exchange rate, but this won't work because those who buy dollars illegally do so to buy goods for resale in the shops. Therefore as long as the demand for these goods exists and they cannot be supplied officially, there will always be a market for U.S. dollars at a higher rate.

We have only managed to bring down inflation from 36 percent in 1986 to 32 percent this year. But the target

was 20 percent by June this year. In employment, salary increases are not linked to productivity. The policy was to reduce income disparities, but this only works with the official salaries controlled by the government. There are a lot of activities where people are earning a lot of money and which are not controlled.

But there is also the political dimension. Former President Julius Nyerere is not happy with trade liberalisation and wants it stopped. He argues that it encourages smuggling. There is also a cry that it is being abused to import luxuries. But who can determine what are luxuries? The people should determine what they don't need. If the government regulates imports then traders will still bring in by the back door what the people want to buy.

At present liberalisation of exports only applies to non-traditional exports. But this should be extended to traditional exports. The marketing unions, which handle traditional crops, are failing to get all the crops to the market in good condition because of transport and storage problems. The result is that exports fetch low prices on the market. The government should allow growers to export their own crops to ensure quality.

Economic recovery programmes have another problem: they take long to get started because of their association with IMF conditionalities. It was difficult for (ex-President) Nyerere to change his policies. He feared social unrest if he devalued the currency or removed subsidies. But he forgot that the people were already paying high prices for goods because of their scarcity. So when the subsidies were removed, nobody noticed.

Subsidies on food were removed at the same time as they were removed on fertilisers. Before then, because of transport problems and costs, 80 percent of the peasant farmers couldn't afford fertilisers anyway so they subsidised the well-off 20 percent who could. The argument was that if fertilisers were subsidised producer prices could be kept low. So the removal of the subsidies was a blessing. Farmers now get higher prices for their crops and can decide how best to use the extra income.

If you make it attractive for farmers to grow cash crops, then they will produce more. Tanzania's export revenues depend on just a few crops, so unless you pay more for these, your export earnings will be very low.

Devaluation and subsidies were two intractable issues. Another was the attitude of government to the private sector other than the peasant farmers.

The government started speaking about the private sector in 1986 but this was only to point out that the Arusha Declaration has always welcomed the private sector. At present the sector is not sure if it is here to stay or is only tolerated as a temporary measure. But given the trend of events, there is no way the government can kick out the private sector now.

Meanwhile, the public sector needs streamlining. The government has closed down a few loss-making corporations but has not sold any. Last year, it allowed private investors to build five breweries, but the decision was revoked—probably vetoed by the party. This shows the ambiguous attitude to private enterprise. The government should encourage the private sector and tax them. And instead of running inefficient state farms, agriculture should be thrown open to investors.

Talking about agriculture, in a bid to improve marketing, the government reduced the role of crop marketing boards and reintroduced cooperative unions which had earlier been unilaterally disbanded. But you can't just establish unions by an act of parliament. You have to study how they will function. By just introducing them without assessing their viability, the government created unions which are now dogged by management problems.

There is now competition with the private sector, but because of the poor state of the roads, it is unhealthy competition. Private operators buy crops from the more accessible areas, close to the trunk roads and major cities, leaving cooperative unions to service the less accessible areas. Because of the high interest rates, the cooperatives cannot afford to buy all the crops on offer as their money is tied up for long periods before the crops are delivered. By the time the crops are delivered, if the quality has gone down, they lose again.

The higher producer prices have helped but they are not the whole answer. To increase agricultural production the government should provide comprehensive research and extension services. This is a critical area, especially in a large country such as Tanzania where conditions and soil types tend to differ from district to district. But very few resources have gone into this area. Instead, state farms, which are not doing well, are using up the funds that could be channelled to research services.

Another developmental institution which is not doing well is villagisation or Ujamaa. In a sense Ujamaa has failed because since 1976 the number of villages under the programme has declined and only a few succeeded as collective cooperatives. The main reason for the failure is that, except for a few shared activities, agriculture has traditionally been regarded as a household activity and the attitude hasn't changed.

On the positive side, Ujamaa's biggest achievement was in providing a base to improve people's lives. People pooled resources to build schools and clinics. But the government could not cope with the demand for teachers, nurses and drugs that these institutions created, so the quality of services suffered.

There is now a need to rethink the policy. In the past the government was seen as the provider of everything. This attitude should change and responsibilities must be shared. The state should train teachers and nurses and provide essential drugs but the people should provide the rest.

* Government To Issue New Investment Code

34000429B London AFRICA PREVIEW in English
Feb 90 p 11

[Text] The government will soon publish guidelines for foreign entrepreneurs wishing to invest in the country. The draft of the proposed investment code has been discussed by the ruling Chama Cha Mapinduzi party. Long considered necessary, the code had been delayed because hardliners in government feared it would compromise the country's socialist aspirations, but economic realities and pragmatism appear to have prevailed over ideology. President Ali Hassan Mwinyi has said that Tanzania needed a massive inflow of financial resources in the form of investment to be able to see itself through the second phase of its economic recovery programme. The country's import requirements are expected to grow by an average annual rate of 7.5 percent (from U.S.\$1.27 billion in 1988/89 to 1.49 billion in 1991/92), while exports will only cover 44 percent of projected requirements.

Contact: Ministry of Industries and Trade, P O Box 9503, Dar es Salaam, Tanzania. Tel: 22775.

Uganda

* President Museveni Addresses Drought Summit

34000343A Kampala THE NEW VISION in English
18 Jan 90 pp 1, 12

[Text] President Yoweri Museveni yesterday called for an end to armed conflicts in the African region in order to realise resources for development.

Addressing a preliminary session of the third meeting of the Heads of State of Inter-Governmental Authority on Drought and Development (IGADD), the President cautioned that the continent's meagre resources should not be squandered in "unprincipled conflicts."

He said that inter-state conflicts within the region were as a result of errors of perception in as far as who an enemy is and what the two fighting nations will benefit at the end of it.

"Why should one State interfere in the internal affairs of another State," he wondered saying that, for such reasons, the Organisation of African Unity charter declared that "there should be no interference by one State in internal affairs of another," he said.

President Museveni added that the charter stressed further that the borders inherited at independence should be respected "in order to preserve peace so that we develop."

Criticising the present internal conflicts within the region, the President wondered whether the present leaders of Africa were going to behave like the old tribal chiefs who failed to unite the Africans in face of common

danger. "I hope we shall save ourselves from condemnation by posterity for failing to bring peace in this region," he said.

The President urged the African nations to be vigilant and not divert the long suffering population into "the so-called Arab-African conflict." "The Arabs have got their real enemies and the Africans have got their real enemies," he said, adding that each of the two have enough enemies to cope with.

He, however, said that Africans are ready to advise in the resolutions of any conflict in our region.

He said that he was fully convinced that had resources not been diverted for building the army and fighting insurgency, Uganda would have achieved a much higher economic growth.

However, we are convinced that inter-State conflicts, or use of proxies to coerce the other State to tow the line of the other State is a big error," he asserted.

He stressed that internal conflicts should remain internal and if fraternal external parties are to be involved, they should do so in the form of advice to achieve peace and nothing more.

Briefing the delegates about the developments in Uganda, President Museveni said that an internal war was necessary in "order to wrestle political power from the hands of those who were misusing it and holding back the progress of our country."

Talking about food security in relation to Uganda's contribution to the struggle for food sufficiency for herself and the rest of Africa, the President welcomed trading companies from IGADD and PTA [Preferential Trade Area: Eastern Southern Africa] regions to come and be licensed to export Uganda's produce. He said that the governments-owned exporting agencies were currently over burdened.

The President invited exporters from the region to help Ugandan farmers in marketing their produce. He assured that the NRM [National Resistance Movement] government will ensure a balanced trade by buying products in the IGADD and PTA regions.

Earlier, President Yoweri Museveni had met with the Head of the Council of the Revolution for National Salvation of Sudan, Major Gen. Omar Hassan Bashir.

The meeting took place at the Sheraton Hotel in Djibouti yesterday. The two Heads of State discussed matters of mutual interest between their sister countries. They also discussed the situation along the Uganda-Sudan border.

The meeting was attended by some ministers from the two countries and other high government officials.

* Country's Raw Materials Imports Slowing

34000343B Kampala THE NEW VISION in English
13 Jan 90 p 7

[Article by Didas Bakunzi]

[Text] Importation of raw materials required for the manufacture of essential commodities by local manufacturing firms has stalled. This has been attributed to delays by Bank of Uganda in confirming foreign exchange allocations to the firms' foreign Bankers.

The crisis is reported to have mostly affected companies and institutions operating under the Open General Licence (OGL) system. As a result some manufacturing firms are said to be on the verge of winding up due to lack of materials, a senior official in one of the affected firms has told THE NEW VISION.

The Open General Licence system was established after discussions between the government of Uganda and the World Bank in 1987 with the aim of revitalising the performance of Ugandan industries. It was also intended to help local industries overcome constraints of inadequate inputs like raw materials and an inconsistent supply of foreign exchange in order to enable them produce constantly. Most of the funds in the OGL are secured under the International Development Agency (IDA).

The original idea of the system was to process import licences and foreign exchange transactions with minimum delay to enable the industrial firms manufacture the essential commodities without unnecessary bottlenecks.

According to reports from the affected firms delays in the Bank of Uganda to confirm the availability of foreign exchange to the firms' foreign Banks has led to the reluctance of foreign suppliers to meet the required raw materials.

An official from one of the affected firms, the Kampala Bottlers Limited, manufacturers of soft drinks, said that an LC number KIND 7/89 for 26,672.52£ established in favour of Schweppes International Ltd on September 5 last year to import concentrates had not been confirmed by Bank of Uganda. As a result, he said, the supplier had not sent the raw materials for which the LC was opened.

The official further said that the delay had caused the accumulation of interest on the overdraft to 1.5 million shillings. "The heavy interest added to the cost of materials makes it difficult to cost the products," he added. The official said that his company may close by the end of this month because they will run out of stock. Several other firms contacted by THE NEW VISION also complained of the lengthy procedures in the Bank of Uganda.

The officer in charge of OGL system in the Bank of Uganda Mr Rwekiza Rweyimamo admitted that some procedures were inevitable. He said a number of departments were involved in the approval of the foreign exchange documents. Mr Rwekiza, however, blamed some firms for failing to raise local cover in some cases. "Some of the firms do not want to follow up their documents," he said.

The initial phase of the OGL covered industries engaged in the manufacture of soap, soft drinks, beer, textiles, blankets, mattresses, cigarettes, cement and gunny bags. But recently an additional 40m dollars was injected into the system to finance the second phase which takes effect this year. This phase will include manufacturers of pharmaceuticals, galvanised corrugated iron sheets, aluminium ware, nails and sugar.

Benin*** Social Demands Said To Paralyze State**

34000429A London AFRICA PREVIEW in English
Feb 90 p 55

[Text] The dropping of the Marxist-Leninist ideology by the People's Revolutionary Party Government of President Mathieu Kerekou has not stemmed the tide of political and economic demands that have virtually crippled the impoverished West African nation. Conditions laid down by striking teachers and civil servants demanding settlement of their six months salary arrears has been enlarged to include political and economic reforms. "We have demanded the minimum. This minimum can be summed up in two ways: freedom for all Beninese citizens, freedom of speech, freedom of association, freedom of movement. We find very aberrant the measure taken to prevent people from one province to another. If all salary arrears are paid, then one aspect of our demands would have been met. We shall be left with the second aspect which is political," Leopold Dossou, Secretary-General of the National Union of Teachers of Higher Institutions said.

The union is challenging government ultimatum to the striking teachers to return to work or consider themselves without jobs. "When the state has not satisfied its own responsibilities, it is not in a good position to threaten," Dossou added. President Kerekou himself is under strong pressure to abdicate. An ultimatum to President Kerekou to relinquish power by last 17 September or be overthrown issued by Captain Adabaou Kossa, expired without much threat from the military but the country has been largely ungovernable. Government offices have closed as a result of the failure of workers to turn up for work. Banks are completely paralysed.

A communique issued after two days of deliberations by the steering committees of Committees for the Defence of the Revolution and district executive secretaries on 26 and 27 December criticised the affairs of state which has been characterised by "a deep economic and financial crisis leading crisis and social disorder." The meeting's recommendation included a conference to decide on the introduction of multi-party politics, the probing of assets of all Beninese citizens at all levels and the return to work of striking teachers, workers and civil servants. The meeting re-affirmed their confidence in the leadership of President Kerekou, a tactic to gain time to work for the removal of the President.

Cape Verde Islands*** Country Experiments With Subregional Cooperation**

90EF0220A Lisbon DIARIO DE NOTICIAS
in Portuguese 19 Jan 90 p 52

[Article by Praia correspondent Fatima Azevedo: "Cape Verde: Apex of the Triangle With Mauritania and Senegal"]

[Text] Cape Verde's economic cooperation with a number of countries—in association with its domestic development—is the course chosen by this island country, whose main strength continues to be its manpower.

According to growth projections, the domestic market in the year 2000 will be 3.5 times larger than today's market, which the national authorities say is far from being able to support an accelerated process of industrial development. A plan has been put into effect to develop those sectors of the manufacturing industry that relate exclusively to the export of fish, to promote tourism, and to provide international services of the most varied types—services that relate, of course, to the nation's geoeconomic location.

This "extroversion" of the national economy is today no longer in the planning stage, for it has already produced effects that could in the near future change or revitalize certain sectors such as tourism and fishing. The solicitations have brought international cooperation. In the context of the well-publicized South-South cooperation, Cape Verde long since adopted this philosophy and has accordingly become integrated into ECOWAS [Economic Community of West African States] and CLISS [Inter-State Committee To Combat the Sahel Drought].

Bilateral cooperation among the countries of the West Africa region has not attained the desired level. Trade is sluggish and is hampered by the lack of sea and air transport facilities. Only with the neighboring country of Senegal is the cooperation multifaceted.

Plans call for initiating regular weekly air transport service by airlines of both countries, and also regular maritime transport service.

The training of Cape Verdean cadres, and the establishment of formal relations in the areas of cultural exchange and sports, complete the picture. In the case of Mauritania, several areas capable of bilateral development were identified two years ago. Given this fact, the sectors of fishing, the maritime economy, merchandise trade, and banking could become the starting point for cooperation between Cape Verde and Mauritania.

The cooperation proposed between Cape Verde, Senegal, and Mauritania is regarded as a test case. "It will enable us to realize that cooperation is possible among the countries of our subregion and of the continent proper," President Aristides Pereira is reported to have said during an interview in which he summed up his tour of the two neighboring countries.

In the opinion of Aristides Pereira, the Cape Verde-Senegal-Mauritania triangle must be developed, and Cape Verde's decision comes at a time when it has been established that there is a future only for large geographical areas. "We see the European Economic Community," he said, "with its goal of a Single Europe—at least from the economic standpoint—already established for 1992."

Another resource for utilization in the subregional context is ECOWAS, which was created in 1975. This organization has not yet succeeded in stimulating the urgently needed trade and exchange among the 16 member countries, including Cape Verde.

In his report for the period 1988-89, the executive secretary of ECOWAS calls attention to the need for effective implementation of the documents and decisions adopted since 1975 by the decisionmaking jurisdictions of the community. The fact is that intra-community trade accounts for 4.6 percent of the total volume of foreign trade of the member states.

ECOWAS has as its objectives the encouragement of an accelerated and harmonious economic development of its member countries, improvement of the living standards of the peoples involved, and creation of a homogeneous society within its ranks. ECOWAS' principal ambition is accordingly to create an economic area without borders, specifically through the creation of a customs union and single monetary zone among its member countries.

ECOWAS has already established a regional strategy for agricultural development, a common agricultural policy, an integrated program to stimulate industry within the ECOWAS countries, a policy for industrial cooperation, and a program for industrial development (1987-1991). Noteworthy among other decisions are an integrated and comprehensive energy policy together with an energy program; telecommunications, transportation, and postal programs; and a program for monetary cooperation within the ECOWAS organization.

ECOWAS is funded at \$500 million.

There is, moreover, a treaty that aims at eliminating the existing obstacles to the free movement of persons, services, and capital among the member states.

The protocol concerning the free movement of persons and the right to establish temporary and permanent residence was adopted in 1979.

ECOWAS seeks to establish a free-trade zone and a customs union among the member countries, but one obstacle that has arisen for the organization in connection with regional trade is the diversity of currencies. The 16 ECOWAS countries have a total of 10 different currencies, of which only two are convertible.

Cape Verde, one of the smallest countries of the region, is an integral part of this definitely difficult picture, but it is cognizant of the changes in attitude toward an innovative economic policy that has produced tangible results.

With other countries (including Gabon, Togo, and the Ivory Coast), Cape Verde maintains cooperation in the area of education.

A total of 80 young Cape Verdeans are currently studying at Ivory Coast universities.

The plan to turn Sao Vicente into an entrepot for trade with Africa could have the effect of speeding up cooperation with the neighboring countries.

* Nation Strives Toward Economic Development

* Review of Archipelago

90EF0177A Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 59-62

[Article by Dina Segovan, Selia Cedo, and Alberto Simoes: "The Windy Archipelago"]

[Text] Some 600 km from the Senegalese peninsula by the same name, the westernmost point of Africa on the Atlantic, the islands to which the Portuguese gave the name "Cape Verde" occupy a nearly unique position in the world. Once an indispensable port of call for ships linking Europe with America, they now provide a stopping off place for planes at Amilcar Cabral Airport. The Cape Verde Archipelago, 4,033 km² square, includes 17 islands, seven of which are too small to be inhabitable. Divided between windward (*barlavento*) and leeward (*sotavento*) islands, their names form a veritable litany: Santo Antao, Sao Vincente, Santa Luzia, Sao Nicolau, Santiago, Sal, Boa Vista, Brava, Fogo, and Maio.

The beaches of the relatively flat islands of Santiago, Maio, and Bac Vista stretch for miles and the shoals flush with the dunes are reflected in crystal-clear, turquoise-blue waters rimmed with snowy foam. Protected from pollution, the beaches and tidal pools are veritable breeding grounds for lobster, shark, and tortoises. Elsewhere, erosion and volcanic eruptions have brought forth rugged mountainous islands, a twisted, unforgiving landscape: the ochre hues of rocky crags, gloomy tints of basalt columns, gray cliffs plunging into the sea, dizzying bluffs.

To travel between the islands, one has to take a plane or the ferry from Praia, sailing first to Fogo and then Sao Vincente. The steep, rugged island roads either cut through the mountains or go around them. The rainy season in Cape Verde is from July to October. The extremely rare rainfall is as difficult to predict as it is torrential and violent. Veritable cloudbursts send sheets of rain crashing down the slopes, digging deep ravines, washing away top soil, tearing out roads and irrigation ditches. From October to June, the dry season brings relatively cool weather and the tradewinds, but 18 consecutive years of severe drought have seriously damaged the archipelago's ecosystem. In addition, there is never enough water anywhere, particularly for drinking.

Crossroads

Cape Verde's 350,000 inhabitants have to wage a constant battle to survive a nature whose beauty and grandeur do not compensate for its hostility. It is a largely mixed population, the product of a blending of Portuguese and black Africans stopping over on the sad

"expedition" that would eventually take them to Brazil or the Caribbean. Nine of the islands are inhabited, the most densely populated being Santiago, where over half of the people live. A typical dwelling on Cape Verde is a little two- or three-room house perched in the most unlikely setting, tiny rough stone huts sitting precariously on the rocks and sometimes blending into them. On all the islands, one is struck daily by the sight of crews of men and women toiling in the sun, relying solely on their brute strength. With stubborn determination and tenacity, these teams patiently build roads, walls and dikes, terraces on the flanks of the mountains, dig irrigation canals, and plant trees.

It is said that there are more Cape Verdeans living abroad than staying behind, and endemic unemployment does indeed generate a considerable exodus. Some 300,000 live in the United States alone and others have gone to Portugal, the Netherlands, France, and Italy. The substantial funds sent home by these expatriates enable their families who have stayed behind to survive. One must, therefore, emphasize the role of Cape Verdean women. In the absence of the emigrating men, they take on the burden of family responsibilities and lead all battles for national development. These are courageous women in modest attire: cotton skirts and blouses, brightly colored for the young, black for the old, headscarves tied under their chins. In the country, they wear indigo-dyed cloths wrapped around their waists or use them to carry a child or to haul wood, fruit, or ear corn.

A Cape Verdean colony from the 15th century on, Cape Verde became an independent republic in July 1975. The people speak Creole derived from Portuguese and the languages of the slaves and their descendants. Creole is the main factor of the cultural identity of Cape Verdeans, a captivating people. For these men and women accustomed to a hard life, music plays a prime role. The originality of local rhythms is derived from a symbiosis of African, Brazilian, and Portuguese beats. While on Santiago the *funana* and *batuque* are authentically African, on Sao Nicolau and Santo Antao the *mazurka* is preferred. On Boa Vista, *mornas* combine the plaintive sound of violins with the wrenching lament that reminds one of Portuguese *fados*, while on Brava nostalgic airs sing to the sea and the wind, bearers of the *saudade*. Strong voices and agile hands of fiddle and guitar players give life to Saturday night dances, where couples sway in rhythm with local airs or the *zouk* of which Cape Verdeans are so fond.

To develop this poor, unfortunate land whose only real resource is the fierce will for survival of the people who inhabit it, an enormous effort is under way. In rural areas, 80 percent of the people do not have drinking water in their homes and women and children have to walk miles to get to wells. Dug ever deeper to reach the often disappointingly brackish water, nearly all are topped by the bladed wheels of windmills pumping up the water. Desalinization plants have been installed at Sal and Sao Vicente, but the scarcity of water explains

why it is infinitely precious in the eyes of Cape Verdeans. Restaurants post signs: "Water is precious in Cape Verde. Do not waste it!"

Meager Corn and Bean Harvests

Water makes it possible to practice irrigated farming on dry land. While some 100,000 persons are involved in agriculture, only 10 percent of the land is cultivated, 90 percent of the total on Santo Antao, Fogo, and Santiago. Terraces are painstakingly cleared on the slopes, where corn and the local beans are grown for the basic dish, a kind of cassoulet called *cachoupa*. Despite the endurance and perseverance of farmers, harvests are meager and food self-sufficiency is but a dream. Cape Verde's imports are enormous, although most are in the form of aid. In 1985, such assistance totaled some \$85 million. Authorities have undertaken a vast reforestation program. For a dozen years, hundreds of thousands of acacias, eucalyptus, and drought-resistant species have been planted throughout the islands, while dikes struggle to retain humidity and halt erosion. This rehabilitation of the Cape Verdean environment is not necessary in the basins, where top soil washed off the slopes accumulates and runoff collects. These are veritable oases with banana plantations and various types of fruit trees, mainly papaw and mangoes. Cape Verde's major goal is to carve out a place in international trade by developing fishing, which already supplies substantial export resources (lobster and tuna).

Authorities also wish to play the tourism card. Excellent underwater visibility on the coastal shelf of all islands offers scuba divers the possibility of discovering massive rock formations, caves, canyons, forests of black coral, shipwrecks from the 15th to the 19th century concealing a host of treasures and cannons. Every island has its own tourist attractions. One has to have seen them all to truly know Cape Verde.

Impressive Bluffs and Pearly Beaches

Santo Antao, the northernmost island, presents superlative landscapes. Known as the cliff island, its bluffs overlook the ocean with their impressive ledges where pine forests grow. Sao Vicente's main city of Mindelo vies with Praia, the capital, and offers visitors its streets crowded with young people and a commercial and pleasure port. When the fishermen return to Sao Pedro, hundreds of spectators line the beaches waiting for their boats, which, at the risk of the fishermen's lives, have to cross the dangerous bay. In Mindelo, one can visit the National Handicraft Center where the works of the local painting school are exhibited, along with pipes by Master Poulou and original objects carved from coconut shells.

On Sal, the island of the saltworks, one can sail year round and on Boa Vista, island of the pearly beaches, one can soak up the sun and the sea to the heart's content.

Fogo, the "smoking island" whose name means "fire," is a volcano that last erupted in 1951. The slopes of the

2,829-meter-high cone with its somber, moonlike silhouette are vineyards whose vines are heavy with red and white grapes. One can climb it in six hours, scaling the lava flow and taking the road to the Cha Das Caldeiras crater.

Santiago, the largest (80 km) and most densely populated island, deserves a long visit. In the capital city of Praia, the town square opens its terraced vista point to strollers of all ages from 1900 hours on. The noisy and colorful central market has fruit piled high, tiny Sahelian chickens, small black pigs, and naturally all kinds of fish. Near the port the old 16th century beacon with its marble steps overlooks the Atlantic Ocean. A tour of the island of Santiago leads to totally unexpected discoveries. A few kilometers from Praia, a dry road leads to Ribera Grande, once the Portuguese capital of the island and now a modest fishing village. How many sights there are to see! The Cidade Velha, the citadel erected by the Portuguese to guard the ocean and to fight off French and British corsairs, including Sir Francis Drake. The city of Ribera Grande had several churches and a cathedral, seat of the bishopric. While its cathedral is completely in ruins, one of the churches is perfectly preserved and still used as a place of worship. In the courtyard and chancel and along the side aisles, fine marble slabs mark the final resting place of Portuguese knights and high-ranking clergymen.

In Ribera Grande, slaves kidnapped from the African continent were "polished," meaning baptized and catechized before being shipped off to the plantations of Brazil and the Caribbean.

In northern Santiago is Tarrafal, for decades a fishing village of sad renown. In its prison, a veritable fortress forbidding in appearance, opponents of the Salazar dictatorship were imprisoned and tortured.

Far from the sea in the midst of shimmering green woods is Sao Jorge de Orgaos, the final stop before the climb to the highest peak on the island, Picos de Antonio, its rugged silhouette swept by the winds. On a clear day, one has a splendid view of all of Santiago, the islands closest to the archipelago, and the varicolored ocean.

* Soap Tree Cultivation

90EF0177B Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 p 62

[Article by Gilles Gaignaire: "The Soap Tree"]

[Text] In Cape Verde there is one abandoned agricultural resource that could be rejuvenated: the *pourghere*, also known as the "soap tree." A shrub peasants once planted and that in colonial times was shipped to Europe, it was used to make soft soaps. Europeans now use other products and the *pourghere* has been completely abandoned. Every year Cape Verde imports 1,000 tons of

soap, but it is expensive and of poor quality, hence the need to find another solution as soon as possible and end this economic dependency.

The *pourghere* crop, just revived with recently planted 100 hectares, is part of Cape Verde's colossal reforestation effort (15,000 hectares replanted a year). This ecological and agricultural effort will soon be joined by industrial profits from oil and soap production. Cape Verde's Ministries of Rural Development and Industry and agricultural cooperatives (14,000 families) totally support the solution proposed by the Technological Institute for Aid to Co-Development (ITAC), an association in southern France. The project involves setting up a veritable pipeline going from *pourghere* plantations to final industrial use.

The first stage includes the establishment of a plant on the island of Santiago at Loura, 30 km from Praia, the capital. If successful, the experiment will gradually be followed by a network of decentralized units. Everything is ready for startup: Technical solutions and financing, mainly from the French Ministry of Cooperation, have already been found, but completion of the project is slow. The Cape Verdean Government is actually hesitating, wondering whether, in order to make the soap, it would not be better to set up a single, "heavy" plant. Starting up more quickly would have the advantage of making Cape Verde independent much faster.

For their part, ITAC officials believe that "while the heavy solution is technically relevant, it would lead to excess capacity. Moreover, it would concentrate added value and jobs in a single place. Economically speaking, it cannot be justifiable because it requires imported raw materials (excluding use of the *pourghere*). Furthermore, it assumes the existence of an export market that is already saturated."

However, the association admits that this opinion may have nuances and one could consider combining both types of production. The "explosive" solution would be implemented gradually. In the meantime, each decentralized unit would make it possible to create a dozen permanent and some 50 seasonal jobs at harvest time.

* Population Characteristics

90EF0177C Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 63-64

[Article by S.C. and A.S.: "Like You, I Am Black and White"]

[Text] The Cape Verdean islands have fallen into oblivion since the failure of the Portuguese, who made it the cornerstone of triangular trade in the 16th and 17th centuries. They are not found on most maps, probably because of their limited, scattered area.

When the Portuguese landed in the middle of the 15th century, the islands were untouched. The first colonists settled on Santiago, the largest island (930 km²), and

Fogo. Even today Santiago remains the main island. The capital city of Praia and over half of the population are found there.

Northern Islands

With 34,000 inhabitants, Fogo is the second island of Sotavento. The northern islands were settled late: Sal was not actually inhabited until the beginning of the 20th century and now has but two percent of the population. In the 19th century, 22 percent of the population was found on Santo Antao and only two percent on Sao Vicente. Today, Sao Vicente, with 52,800 inhabitants, is the second island of the archipelago in population, surpassing Santo Antao (45,400 inhabitants).

Cape Verde is often labeled a "human laboratory," and the country's population has, indeed, totally individual traits. Establishing its first outpost, the kingdom of Portugal made the archipelago a colony of settlers. Despite the privilege extended to colonists for slave trafficking and trading in ivory and other commodities, Portugal repeatedly had to encourage new settlers to go to Cape Verde. Harbormaster offices were thus set up and their granting was accompanied by noble status. Land was distributed to members of the royal family and common-law prisoners were deported to the islands. They were joined by slaves sent to the archipelago before being "exported" to the Americas or to the African territories. They grew cotton and wove loincloths, whose monopoly was the sole right of the Portuguese. Such measures were, nevertheless, not sufficient to attract a large white population. The lack of space and cyclical droughts that hit Cape Verde deterred colonists from settling there, and emigrants preferred to go to the New World.

In 1687, a ban on the sale of loincloths, used as foreign exchange in the slave trade, led to the bankruptcy of slave traders and stifled the budding economy. The break up of the Portuguese empire, which successively lost its African colonial possessions, weakened the central government, which then concentrated its efforts on regions deemed more important. In the early 18th century, Cape Verde ceased being a hub for the "ebony trade," and many former slaves, abandoned, freed, or escapees, occupied land left vacant. Few whites remained in Cape Verde, except for the poor. Former masters mixed with blacks comprising 85 percent of the population.

The racial "blend" is more marked on the Barlavento islands than on Santiago or Fogo, where more large landholdings are found. From this mixing of Europeans, blacks, and mulattoes, there emerged, safe from major upheavals, a crossbreed society turned in on itself, somewhat abandoned by a declining mother country.

During the 18th century, Cape Verde experienced 11 periods of drought and famine accompanied by epidemics and violence leaving thousands dead. Such events helped modify relations between masters and

slaves, who, united by the struggle for survival, sought refuge together at higher, wetter, altitudes.

Under pressure from the clergy and other European powers, the Portuguese monarchy, accused of abandoning the archipelago to the slaves, took measures to strengthen the seigniorial power of the descendants of the owners of *latifundia* and encouraged the reconquest of agriculture by Portuguese nationals. The mother country helped put down peasant revolts, restored the law preserving the indivisibility of property, liberalized trade, and put new settlers on the islands: common-law criminals and "loose women" for the declared purpose of preventing sexual intercourse between white men and black women and the proliferation of mestizos. These measures were accompanied by a resumption of navigation and the salt trade, which somewhat revived the islands.

However, in 1869, a salt tax halted the activity and once again hobbled colonial exploitation, exacerbating social contradictions. While the colonial government did not succeed in developing the archipelago, it, nevertheless, managed to ward off any sudden break. Republicans succeeding the constitutional monarchy before the fascist period in no way modified the socioeconomic evolution of Cape Verde.

Mestizos Invest in Land

In the 18th century, a relatively wealthy class of black and mestizo artisans and merchants emerged to take advantage of relations with both communities. Its profitable activities enabled it to invest in land and become the prime beneficiary of the law of 1863 making it possible to acquire land without distinction as to race or social origin. For landless peasants—95 percent of the population—with no capital, the law changed nothing. It regulated neither the size of properties nor relations between landowners and those working them.

In contrast, pressure put on the peasantry was all the greater, and if the abolition of slavery, proclaimed in 1869, caused no ripples, it was because the system of slavery had, in fact, been transformed into a feudal-type serfdom.

This "liberating" law gave birth to a class of medium-size landowners who leased their land to sharecroppers and became civil servants, politicians, or merchants.

Today the question of the division of land has not yet been settled. The idea that land belongs to those who work it is still on the agenda. The law of 1869 was, nevertheless, a major factor in the departure of thousands of Cape Verdeans for the United States, and it still dominates Cape Verdean social values: personal success and the right to own property.

* Land Reform Needs

90EF0177D Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 65-66

[Article by S.C. and A.S.: "Land for Those Who Work It"]

[Text] The earliest legislative measures providing for the seizure, without compensation, of all land abandoned by Portuguese or Cape Verdeans came in 1975. Taking effect on 1 January 1983, the agrarian reform is being implemented by the Ministry of Rural Development. Jurist Ubaldo Lopes has been a part of the Agrarian Reform staff for five years, heading Santa-Catarina, one of the four communes of the island of Santiago. He explains that the objective they have set, the structure of land ownership, is difficult to achieve because of the limited amount of arable land and the division of property.

Exceptions for Emigres, Clergy, and Widows

Some 40 percent of all farmers own their own land. The slogan "Land for Those Who Work It" is not easy to apply because farmers do not have the money to buy "their" land. This is where the government has to intervene through agrarian reform commissions, local legal bodies made up of representatives of the government administration, cooperatives, landowners, and farmers. Government action mainly involves parcels of over 5 hectares in *sequeiro* (not irrigated) or one hectare under *regadio* (irrigation) and indirect operation. The local agrarian reform commission evaluates the terrain, the owner receives compensation, and expropriated land is redistributed to peasants who have none. However, the government does not expropriate systematically. The law provides for exceptions: land belonging to emigres, the church, and widows. Those affected must provide the commission with proof that they have no resources (businesses, rented vehicles, wages, or retirement) other than proceeds from the land. If a farmer wants to buy land, the government withdraws. Authorities are encountering budgetary difficulties. On Santa Catarina alone, it would take hundreds of thousands of contos (thousands of Cape Verdean escudos) to expropriate land covered by the law, but the government does not have the capacity to do so.

The second type of intervention is aimed at modifying the status of the operating peasant in order to make sharecropping evolve into tenant farming. Very often land is given for operation on the basis of family or friendly relationships that are difficult to transform. Sharecropping is permitted by the law only when the landowner is disabled or over 60 years of age. In this case, only distribution is modified. The owner does not receive half, but only a third of the crops, and the rest goes to the operator.

For farmers, the law sets income ceilings based on the type of land. In dry farming and humid zones, a "litre"

of land (a "litre" is equivalent to the area that would be covered by sowing a litre of corn) is rented for between 400 and 600 escudos; in a subhumid zone, a litre is worth from 100 to 400 escudos. Prices rise in irrigated areas, with a litre worth between 3,000 and 8,000 escudos. Corrections are obviously allowed if there are fruit trees, for example. The agrarian reform is not limited to trying to establish greater justice in rural areas. It also concerns agricultural development and the creation of cooperatives and infrastructures (wells, dams, mechanical equipment). The government wants to introduce more productive crops. Corn, the traditional crop, is combined with the "Congo pea." Cape Verdean farmers are beginning to modify their habits. So-called "European" crops such as onions or tomatoes are beginning to appear.

Cultivated Land/Total Agricultural Area 1988

- Dry farming: 36,000/38,500 hectares
- Irrigated crops: 2,000/2,500 hectares

Land Redistribution Since 1984

- One percent of total land
- Five percent of irrigated land

Sixty percent of the rural population is illiterate and the work of the experts is not obvious. Most farmers are old and young people want out of agriculture. Peasants who work their land as families are encouraged on an equal footing with those who create jobs and thereby help check the rural exodus.

Support for peasant organizations is one of the touchstones of agrarian reform. The organization of farmers helps change patterns of thinking.

On Santa-Catarina, there are 12 associations including some 6,000 persons coordinated by the Santa-Catarina Peasant Organization. In the beginning, a party member, very paternalistic and full of good intentions, went to speak on behalf of the peasants. Today the coordinating chairman is a peasant who invites the minister of rural development and runs the meeting.

Credits and Guarantees

He also draws up the minutes. Tenant farming contracts are signed at association headquarters. These organizations can also create credit departments and act as guarantors for farmers wishing to invest.

For 500 years agriculture has been viable and is becoming so once again. The implementation of agrarian reform has encountered resistance. The basic law, incomplete, is being rewritten by a team of jurists and should be improved during the next legislative session. A topographic and cadastral survey by specially trained Cape Verdean technicians is under way.

The field of competence of agrarian reform commissions is going to be broadened and judges should support them. The staff is working on better articulation between

the various institutions linked to agricultural development and the rural world. Agrarian reform will be achieved in stages within the framework of economic and social transformations the country will undergo. "Extroversion" means producing.

* Foreign Aid Vital

90EF0177E Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 67-69

[Article by C. Sedo and A. Simoes: "Well-Managed Aid"]

[Text] Cape Verde has always had droughts. Their gloomy procession in the 20th century is even longer than in previous centuries. 83,000 people have starved to death since 1900, but things have been better since independence. Nevertheless, the Sahelian zone continues to suffer the whims of a capricious rainfall and between 1968 and 1986, Cape Verdeans on certain islands could have counted the drops of water. Concerning supplies, the establishment of the Public Enterprise for Supply (EMPA) and substantial food aid have warded off the spectre of starvation. Yet the migratory flow that carries off nearly 400 Cape Verdeans a year has not yet been stanchied.

Supplies From Public Enterprise

Set up in 1975, EMPA has branches on each island, where it handles the supplying and marketing of basic food commodities and building materials. In addition, EMPA manages international food aid, which is not distributed free but sold, except in the case of very precise groups that are "particularly vulnerable." Proceeds from these sales are reserved for the National Development Fund, which in turn manages the so-called "high intensity labor" projects: the paving of roads, construction of dikes and low walls to hold back water and soil on the slopes, reforestation, and the fight against soil erosion. In this way, the government creates additional jobs for an underemployed labor force. Among the active population, a very small portion in terms of the total population (25 percent), only 30 percent have full-time jobs, 44 percent work occasionally, and 25 percent are unemployed. As in many other African countries, the government is the principal employer in Cape Verde. Projects give priority in hiring to women who head households and landless peasants. Men are paid 115 escudos a day, very little, but women receive only 95!

EMPA's turnover totals 3.5 billion escudos and is, after the civil service, the country's main employer, with 1,000 permanent and 1,000 seasonal workers. The enterprise's storage capacity on all islands combined is 70,000 tons, enough to buy wholesale and to prevent speculation and price disparities between the islands. EMPA, in fact, plays the role of a consumer price stabilization fund.

One can better measure the scope of EMPA's tasks when one realizes that over the last decade, only 10 percent of food needs in terms of basic products were covered by local production. These figures vary depending on rainfall. Since rains resumed in 1986, local production, particularly grain, has registered a major increase and now covers 24 percent of all food needs. However, three-quarters of all basic products are imported.

The archipelago's total exports (77 percent services) cover only 23 percent of its imports. Goods traded show an even greater shortage. Essentially limited to fishing products and bananas (70 percent), Cape Verde's goods exports cover only six percent of all imports.

Cape Verde does 70 percent of its foreign trading with countries belonging to the European Economic Community (EEC). Some 30 percent of all imports come from Portugal and 10 percent from Holland. Even more surprisingly, imports from Southeast Asia and the Far East are greater than those from the Economic Community of West African States (ECOWAS). In Africa, Cape Verde's best partner is the Ivory Coast.

Bananas, Tuna and Lobster

As for exports, the bananas go to Portugal, lobster to France, canned tuna to Italy, and the rest mainly to Portuguese-speaking African countries. The balance of payments is satisfactory thanks to financial contributions from abroad: foreign exchange sent home by the 550,000 Cape Verdeans living abroad, but mainly foreign aid. The relative weight of such transfers has altered since 1980. Since 1984 international aid has clearly overtaken private transfers. Gifts from the international community represented 74 percent of Cape Verde's export-import imbalance. After wavering at around 30 percent in 1982-1983, loans comprised 13 percent of all aid in 1986.

At \$300 per person, Cape Verde is the ECOWAS country receiving the most aid. The share of food aid dropped over the last decade, falling from 33 percent in 1980 to 20 in 1986. Aid in the form of equipment has made up the lion's share: 53 percent in 1986. Technical assistance and scholarships accounted for 26 percent in 1986, but only 11 percent of foreign aid in 1980. In other words, its many foreign partners enabled Cape Verde to increase its GNP [gross national product] seven times between 1973 and 1986, putting it ahead of its ECOWAS neighbors. From the standpoint of per capita GNP, only Nigeria, with \$640 in 1986, surpassed Cape Verde (\$570).

Many countries (the United States, Canada, East and West Europe) and organizations maintain a presence in Cape Verde, and their respective contributions are difficult to evaluate. Between 1975 and 1986, the United Nations spent \$35 million. Between 1977 and 1988, when Cape Verde joined the group of African, Caribbean, and Pacific (ACP) countries (associated with the EEC) by signing the Lome Accords, the EEC committed 86 billion ECU's [European currency units] to Cape

Verde, nearly a third in the form of emergency food aid. While certain ties date from the liberation struggle, during which the members of the then African Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC) had gathered great sympathy abroad, the current leaders of the African Party for the Independence of Cape Verde (PAICV) obviously know how to work their charm. One has but to meet Maria da Luz Boal to be convinced of the fact! The president of the Cape Verdean Solidarity Institute (ICS) reigns over nongovernmental aid, deploying such energy that at the first conference of nongovernmental partners held in Praia in October 1987, over 60 nongovernmental organizations (NGO) were present! One has to believe that the message delivered by Cape Verde in 1981 at the UN conference on the least-developed countries was heard by everyone.

Since that time, Cape Verde has demonstrated its capacity for managing aid, and its credibility remains undisputed. While it is no longer found among the least-developed countries and has, thereby, lost advantages stemming from that position, this "small country" would now like to gain access to the group of new building countries of which it would like to be the leader. It has just provided itself with a new investment code.

Quick Reference

What is extroversion? "It is a convenient concept but nothing new. Cape Verde is traditionally extroverted. It was the vital center that linked the Portuguese empire: Slaves, plants, and livestock gathered here on the way to Brazil. Cape Verde has always been a stopping off place, a place of transit for international trade."

Is extroversion a vocation? "Our population is very scattered, our domestic market too limited. The threshold of profitability for any industry is greater than our population. To supply our domestic market, we are, therefore, forced to export."

Takeoff? "We have no resources. Our only resource is our manpower. We can specialize in services to third parties: air stopover, transit point, storage, and, above all, a place to set up export industries."

Free zone? "We do not use that label because we do not want to put geographic or economic limits on legislation, which is already very favorable to investments. The new investment code, to be put into effect immediately, creates a legal framework permitting the establishment of any enterprise instead of proceeding case by case."

Our references: "The example of the three 'Asian tigers.' We shall use the economic spaces to which we are linked: ECOWAS and the ACP/EEC."

Strategic sectors? "EMPA is responsible for basic supplies. For fuel, Shell has the aviation concession and, for the rest, the National Fuel Enterprise supplies the

country. Transport and communications, including telecommunications, are currently the domain of the government. In other areas, the private sector has competence."

Joint ventures? "We have already engaged in this practice in order to encourage the private sector to invest. Two examples: For the Praia-Mar Hotel, the government bought 51 percent because no one wanted to take the risk, but it is not the government's role to run hotels. The same was true of Morabeza (ready-to-wear). The government ordered the project in order to bring in private capital and to encourage the establishment of industrial rather than commercial enterprises."

What is moving forward? "Tourism. On Sal, first of all, thanks to the international airport, and then on Boa Vista, the least populated island, but the one with the second-largest airport in Cape Verde. We do not anticipate mass tourism because we must keep it manageable."

The debt? "It is not very large: some \$120 million, a little over 40 percent of the GDP. We shall now have to start going more deeply into debt."

Cooperation with other Portuguese-speaking African countries (PALOPS)? "The main countries, Angola and Mozambique, are at war. We are all old colonies with trade oriented toward the north. Our economic structures were created to serve the mother country, except for Mozambique, which looks to South Africa. Our countries are not complementary but rather, rivals. Integration will not be easy."

Latin America in general? "EMPA has set up a subsidiary in Brazil, EMPA-Trading, responsible for promoting trade not only between the two countries, but also with other American countries. The most important deal for us was EMPA's buying back of a Paraguayan enterprise near Lake Itapu with 10,000 hectares of woodlands and a sawmill. Lumbering alone will pay for the investment. We supply our country and also export to Europe. The second phase will be agriculture. There is more irrigated land there than on the entire archipelago! And since Paraguay has a very small population, we will be able to send Cape Verdians there to work. We shall follow the example of Japan and Australia, which also have land reserves in the Philippines. Finally, one has to remember that we also have cooperation agreements with Argentina."

* Autonomous Cooperatives

90EF0177F Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 69-71

[Interview with Candido Santana, president of the National Cooperative Institute (INC), by C. Sedo and A. Simoes; date and place not given]

[Text] Candido Santana is president of the National Cooperative Institute (INC), a pivotal point of reflection on the social or intermediate economy. Neither private

nor public, it is looked on as a rival by the private sector, which generally scorns it, and with either paternalism or curiosity by the government, which, in the best of cases, makes it a protegee. Santana, a seasoned political veteran, has plunged wholeheartedly into the organization of civil society. Neither a gloater nor disillusioned, he takes an unblinking look at its institution, without making concessions to anyone.

[JEUNE AFRIQUE ECONOMIE] How was the cooperative movement born in Cape Verde?

[Santana] A few cooperatives already existed before independence, but they were closely controlled by the Portuguese administration. At the time of independence, the problem of supplies had to be settled: There was no reliable supply of basic commodities. Starting with the people's *lojas* (boutiques), the party began to set up cooperatives, then a central to coordinate them, but enormous management problems developed. By 1978, the central had disappeared and the INC was set up with two objectives: to support existing cooperatives by providing them with technical assistance and information and to set up new ones.

The INC is an autonomous sector vis-a-vis the government, placed under the tutelage of the cabinet via the minister of rural development. Unlike many African countries, the INC does not come directly under any ministerial department.

Today we have decentralized structures on each island, but the cooperative sector still faces enormous problems. It is in the consumer sector that it is now most active. However, in rural areas where this sector exists, the level of training is very low and the people older. They do not have adequate information or experience in management or organization. Cape Verde does not have the community tradition that one finds on the continent, outside of a kind of mutual aid we call *junta mao* for seasonal, sporadic work. Conditions for working the land, divided into tiny plots, encourage individualism and a certain distrust of the government or any form of association. The work we do of education and training bears fruit very slowly.

[JEUNE AFRIQUE ECONOMIE] Is the institute the "required partner" of the cooperatives?

[Santana] The INC has no stranglehold on the promotion of cooperatives. Anyone can freely create an autonomous structure; as soon as one is registered, it legally exists. The government set up the INC to help develop the cooperative movement, but it is a transitional phase. In the long run, cooperatives will have to show their viability and be emancipated. The INC should then delegate a large part of its responsibilities. Support institutions often try to control the movements that generated them. We must prevent that from occurring here. The INC is not an end in itself.

[JEUNE AFRIQUE ECONOMIE] Has that process of emancipation already begun?

[Santana] Yes. There are already six cooperative unions: on Santiago, Santo Antao, and Maio, but they still need strengthening and support.

[JEUNE AFRIQUE ECONOMIE] In the agricultural production cooperatives, is ownership of the land collective or does it belong to the state?

[Santana] In general, cooperatives have *posse util* (usufruct) of land expropriated by the government, except when collective ownership already existed before independence. As for the form of organization, it can be mixed or entirely collective. Many groups are being set up to handle certain factors of production: electric pumps, for example, which they manage together. If these groups so wish, they may evolve into cooperatives. That is why we support them through financing.

[JEUNE AFRIQUE ECONOMIE] In Sao Nicolau, a cooperative is indeed proud to repay initial loans. Does that mean that others have many problems, even to put together their operating funds?

[Santana] These are small plants set up in poor areas. The people often work in the FAIMO (labor-intensive fronts), which pay very poorly. They have no money and, therefore, many debts. One of the principles of consumer cooperatives is not to sell on credit, but they in fact do so because otherwise members would go to private merchants. Then there is another problem, this one a matter of thinking: One feels forced to repay a merchant, but when it is a cooperative, people are much less strict. Sometimes manifestations of solidarity vis-a-vis the truly poor come at the expense of management and profitability. The cooperative often looks like a social welfare agency, but the social aspect should not obscure economic factors.

[JEUNE AFRIQUE ECONOMIE] Do cooperative officials feel truly responsible?

[Santana] You know, it is very difficult for someone who sometimes has not even finished grade school to head a cooperative. In the poor areas, few are capable of doing so. And when they are, they must be prevented from taking advantage of the ignorance of others for their own personal gain.

We are now in a phase in which people must understand that the cooperatives do not belong to the INC. We support the cooperatives [we] do not manage them. Like any other enterprise in any sector, if the members themselves do not control the cooperative, it is not up to the INC to do so. In the beginning people thought cooperatives were made for the poor and could not be profitable. Everywhere the merchants opposed them, claiming the private sector could supply the country perfectly well. An American economist here recently reminded us that in the United States, 60 percent of all new businesses fail every year. The 40-percent success rate is considered a good result in the private sector. Why, as soon as it is a cooperative, do we dramatize?

What we need is a good definition of cooperative policy, as well as a serious diagnosis to evaluate the sector's importance.

[JEUNE AFRIQUE ECONOMIE] You have nearly 230 cooperatives with some 20,000 members, which should enable you to measure the sector's impact, after all.

[Santana] The social impact is great for the creation of jobs, price regulation, and the food supply. Socially speaking, the rate of penetration is far above the African average. But the economic impact is another factor that must still be defined. The cooperative movement is going to come into competition with the private sector and we must remain autonomous. The government must not take control.

[JEUNE AFRIQUE ECONOMIE] The consumer cooperatives we visited get their supplies from EMPA, about which cooperative members take a very lax attitude: "If we don't pay the cooperative, the government will," is what they think.

[Santana] They have no obligation to buy from EMPA, but it is true that most of their supplies do come from EMPA. For the time being, we are in a bad position both vis-a-vis the government and the private sector: We do not have the right to import directly and, therefore, we depend on those sectors.

The Danish Consumer Cooperative Federation has offered us its support in setting up a national federation, which would make it possible to solve both supply and distribution problems.

[JEUNE AFRIQUE ECONOMIE] But at the same time, the private sector will be strengthened through extroversion. Do you have any chance of remaining an attractive sector?

[Santana] After an initial phase of organization and motivation, we are now in the management phase. We cannot continue to depend on foreign technical assistants. Business managers are not legion here; wages should not be a deterrent.

Another concern has to do with dependency on international organizations. The INC has acquired a certain recognition on the international level. Problems truly have nothing to do with financing, but rather, concern the management of such financing.

Moreover, beyond the cooperative movement, the INC fits into what we could call people's production (support for small cottage industry in rural areas in ceramics, breadmaking, sewing, and so on), as well as community development projects (construction of access infrastructures in isolated communes, for example). There is a very vast range of activities for which we need more and more personnel.

Young people and management personnel, particularly, are beginning to turn away from the "welfare state" that

pays inadequate wages and underutilizes their competency. They understand that we have to take the initiative and the risks. They are looking to the private sector, but to get involved in the private sector you need capital. Our sector participates in this "less government" approach while proposing another: the desire to work together and to develop a spirit of solidarity. So why not cooperatives?

Cooperative Sector in 1983

Organization Date	Number Organizations	Number Members
Cooperatives	128	17,435
Precooperatives	39	1,844
Groups	55	607
Total	228	19,886

The rate of penetration (cooperative members/total population): over 5 percent, exceeds the African average of 3 percent. By way of comparison, there were 25 cooperatives in 1980.

Sector	Number Organizations	Number Members
Consumer	111	18,311
Agriculture/Live-stock Raising	51	770
Fishing	11	89
Handicrafts/Ind. Act.	24	273
Housing	16	215
Training/Education (incl. music)	4	212
Studies/Projects	2	6
Maritime transport	1	10

Consumer cooperatives (49 percent of all cooperatives) make up 92 percent of all members. These national figures mask geographic distribution: The island of Santiago has 126 cooperatives (56 percent) and 11,878 members (60 percent), while Sal has only 2 and Brava 1. During the 1982-1986 period, over \$1.5 million was invested in the cooperative sector.

* Small-Scale Projects

90EF0177G Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 pp 72-73

[Article by C.S. and A.S.: "Citi-Habitat's Windmills"]

[Text] "Many development projects in Africa imported tools without first studying the societies. Obviously, when the tools break, the projects leave with them." Such is the observation of Luis Araujo, organizer of Citi-Habitat, an intermediate technology research center concerned with housing problems.

Techniques Adapted to Know-how

Araujo has received the support of nongovernmental partners, Belgian, Canadian, and French associations.

After crisscrossing the African continent in every direction doing technological research in building materials, he was greatly impressed by the number of failures he had observed. For him, there must be a symbiosis between the knowledge of the people and truly adapted technologies. The technical implementation of construction methods he recommends are labor intensive, rather a good thing in terms of the employment situation. Furthermore, it does not require massive imports of machines and essentially draws on local materials.

Citi-Habitat operates with a small core of some 20 persons. Araujo is the only full-time employee, but he calls in experts from all disciplines on every project. The problems they handle are based on an analysis of the situation in Cape Verde, which does not always seem to be directly related to official rhetoric: "The modern sector we want to develop in order to supply modern products must not, in contrast with Brazil, benefit only a tiny elite." The rural exodus is one of their concerns: "We deplore the rate at which cities are growing, with the resulting problems of urban administration." What is being done to check the flow? Citi-Habitat is active developing activities in rural areas where the majority of the population still lives, and works with poorer sectors in Praia.

On Santa-Catarina, 35 km from Praia, the association offers support to the informal handicrafts sector, helping potters, weavers, and carpenters modernize production techniques. In the poorest district of Praia, it has set up pottery and ceramics workshops for young unemployed people not in school. Here, entire families of former fishermen have joined the ranks of unemployed. Thanks to Canadian financing, Citi-Habitat has set up a workshop where young people make wooden toys.

Also in Praia, Citi-Habitat plans to begin a study for the recycling and treatment of household garbage. If it should turn out to be profitable, an enterprise could be set up. On the island of Maio, there are plans to market goat cheese through hygienic improvements in production, preservation, and packing.

Cape Verde's prime resource is the wind, which blows over the islands throughout the year. Citi-Habitat proposes to test a new type of windmill. Those already set up by international projects are costly and difficult to maintain. Spare parts are scarce and most are, therefore, out of service. Cape Verdeans could set them up and train local technicians so they would no longer depend on foreign technical assistants. An "autonomous energy school" should serve as a testing ground where prototypes would be manufactured and, in the long run, make the island self-sufficient in energy for cooking and school lighting.

Araujo, who has more than one trick up his sleeve, plans to harness the wind in stonecutting: "We import cement, iron, and machinery to manufacture parpen. Stone, the traditional material, is abandoned because it is easier to make parpen than to cut stone by hand. But stone can be

cut and worked more quickly by using wind power. Nor is there any lack of stone here! We can 'sell' wind for windsurfing, so why not use it for something other than tourism?"

Cottages

At Tarrafal on Sao Nicolau, Citi-Habitat plans the construction of round tourist cottages like those seen in southern Italy. Instead of cement, a poor insulator, the material used would be plaster bonded to cement. The idea was sold to the Cape Verdean-American company behind the project by taking officials to see a project on the island of Maio, where Citi-Habitat began building its little round, monopiece houses in 1982, based "on the architectural principle of the dome, which requires a minimum of materials."

The latest project now being negotiated: the establishment of a company to market local materials (clay, limestone, plaster, stone, gravel, and sand), joining public and private entrepreneurs, along with a study of the quality of soils for construction.

In August, Citi-Habitat celebrated its first anniversary and published its first bulletin in which one reads: "For many, intermediate or adapted technologies are nothing more than poor methods for the poor (...). And yet, they have often been a complementary solution to the development of a modern sector enabling communities to meet their needs." And sometimes produce exportable beers! Why not?

* Communications' Role

90EF0177H Paris JEUNE AFRIQUE ECONOMIE
in French Dec 89 p 73

[Article by C.S. and A.S.: "To Escape From the Sharks"]

[Text] The extroversion of the Cape Verdean economy implies the creation of state-of-the-art tools in the areas of market studies, product quality control, recruiting clients, and promotion. The advertising sharks also crisscrossing Cape Verde's territorial waters practically know how to do little more than "prestige publicity."

Faithful to its line of "controlled openness," the government has opted for the establishment of a Cape Verdean-Portuguese joint venture, the Central Communication Company (SCC). Representing Cape Verde are national radio and television and the government daily VOZ DI POVO, while the Portuguese Government's two agents are private parties: Team e Protasio and entrepreneur Alberico Cardoso.

Cape Verde-Portuguese Joint Venture

Management of the SCC is bicephalous. Social communications and marketing expert Rui Pereira heads up management for Cape Verde. The main customers are television, radio, and VOZ DI POVO. The SCC takes care of advertising. This company also seeks to market

its television programs (cultural, musical, news reports on life in the islands), often high in quality, abroad, mainly to other Portuguese-speaking countries. Its goals also include selling the newspaper VOZ DI POVO to many Cape Verdean emigre communities.

The second target: advertising for big government-owned companies or joint ventures such as EMPA [Public Enterprise for Supply], Cape Verde's leading importer, or Cape Verde Airlines (TACV). Not only does this company handle domestic interisland connections; it also manages the airports. It is beginning to compete with international air carriers for routes to areas where large Cape Verdean emigre communities are found (the United States, Portugal, Holland, and so on), offering discount rates for Cape Verdeans. These companies need to refine their techniques of canvassing for customers and to improve their image.

In another area, some Cape Verdean products are perfectly able to withstand comparison with those manufactured elsewhere. For example, Ceris beer, made using a Danish process, is excellent. Shoes can easily be adapted to American tastes and the factory was only recently turned over to a private operator.

From advertising, one comes to more efficient management and a redefinition of the range of products, standards for which must respond to the demands of importer countries in Europe and North America.

Finally, the SCC has just made the decision to publish a trade journal, *ECONOMIE ET AFFAIRES*, which will be addressed, not only to all those with management responsibilities in Cape Verde, but also to a wider audience of all potential investors. Within a few months of publication of its first issue, it will be able to draw on computerized economic information.

* Investment Protection Accord Signed With FRG

90EF0220B Lisbon *DIARIO DE NOTICIAS*
in Portuguese 21 Jan 90 p 15

[Article by Bona correspondent Eduardo Helder]

[Text] The governments of the Federal Republic of Germany and Cape Verde signed the middle of this week in Bonn the first accord on the mutual promotion and protection of investments. The accord—to which the DN [*DIARIO DE NOTICIAS*] has previously made reference—could represent the first major step toward enabling the former Portuguese colony to have private investment, especially by FRG Germans.

Indeed, until now the problem facing all those who wanted to open small or medium-sized enterprises in Cape Verde was to obtain assurance that their investment would not be subject to political changes. Prime Minister Pedro Pires' visit to the FRG in May of last year represented the decisive step toward the accord that has just been signed.

The Praia city government was represented by Ambassador Plenipotentiary Antonio Pires, while FRG President Richard Von Weizsacker and Minister of Foreign Affairs Hans Dietrich Genscher were represented by Alois Jelonek, a high-ranking official of the ministry, who took the occasion of the ceremony to state that since its creation the FRG has already signed 67 similar accords with countries of the Third World and East Europe. In the opinion of the Bonn Government, however, the accord just signed with the Praia city government is regarded as the most important vis-a-vis the developing countries.

The FRG political leader emphasized the manner in which relations between Cape Verde and his country have evolved. He praised the Cape Verdean Government's role in seeking peaceful solutions to the conflicts in Southern Africa. He reaffirmed the support that the official entities of the FRG are giving all those who want to invest in the former Portuguese colony.

The inauguration of air service between Frankfurt and the city of Praia in the second half of last year was the first step toward enabling FRG entrepreneurs to acquire a genuine interest not only in the area of tourism but also in other sectors, as for example in fishing.

The example set by the Cape Verdean Government could well be of assistance to others—in nations whose official language is Portuguese—who could benefit from FRG investments, especially at a time when the FRG economy is passing through its best period of the past 13 years and expanding naturally. And even taking into account the fact that German entrepreneurs are currently centering their attention on the FRG, in view of their great diversity it is likely that some will opt for other places provided that the bases for their enterprises are secure.

Ghana

* Rawlings Announces New Austerity Measures

34000112A Accra *GHANAIAN TIMES* in English
3 Jan 90 pp 1, 3

[Excerpt] Flight-Lieutenant Jerry John Rawlings, Chairman of the PNDC [Provisional National Defense Council] last night announced that biting austerity measures would be taken to speed up the Economic Recovery Programme [ERP].

The Leader of the revolution was speaking in a 45-minute nationwide radio and television broadcast.

He said the ERP had not provided all the answers to the nation's economic problems.

In spite of all the international acclaim received by the ERP, the effects of its gains were yet to be felt in most households and pockets, the Chairman explained.

The austerity, he said, would be for everybody and not just for the workers and farmers in the fields upon whom the weight of the nation's economic difficulties had fallen up to now.

The PNDC Chairman said: "Within the public sector, we have often stressed the need for austerity, mindful of the need to put up with the simplicity and the prudence demanded by over current problems."

Flt-Lt. Rawlings said in many of the public institutions austerity had so far been rhetoric. There were innumerable abuses including the misuse of fuel, vehicles and even office stationery.

"In some public institutions and organizations management had developed a tendency to spend resources carelessly on frivolous and luxury office and residential furnishing," the Chairman said.

The Chairman mentioned the review of Ghana's policy and programme and representation abroad and the cost of maintaining that to enable savings to be made without affecting effectiveness of representation, which would be returned to the country's economic and development interests.

He said the Government's maintenance policy relating to official accommodation and vehicle running and maintenance cost would be nationalized to rid it of wastes and corruption.

Other measures are the review of overseas travels by official delegation and personnel with a view to eliminating those which brought minimal benefits to the state.

Flt-Lt. Rawlings said the review would also affect duration of stay, size of delegation and number of times a particular subject would be pursued through trips abroad. [passage omitted]

*** Religious Bodies Law Explained to Muslims**

34000112C Accra PEOPLE'S DAILY GRAPHIC in English 3 Jan 90 pp 8-9

[Text] A four-man delegation from the Federation of Muslim Councils of Ghana (FMC) has undertaken a three-day tour of the Sefwi-Wiawso District in the Western Region to explain the rationale of the Religious Bodies Registration Law (PNDC Law 221) to muslims in the area.

A release from the Office of the FMC stated that the delegation explained that the law was not intended to stifle religious freedom but to safeguard and uphold it.

The release said the law was also meant to safeguard national security in view of the fact that activities of certain religious groups were compromising national security.

It assured muslims that the FMC has been duly registered in compliance with the law since they do not find

anything wrong with the law and said muslims should not fear of any intimidation under the law but to worship in peace and tranquility.

It further said by the granting of Islamic Educational Unit to Muslims, Islamic schools will now receive expert technical advice and assistance by way of supply of trained English teachers and Arabic tutors.

The release, therefore, asked muslims to unite and build modern schools within their communities to facilitate the rapid integration of English-Arabic schools.

The tour took the delegation to Yawmatwa, Osei Kodjokrom, Aferi, Juaboso, Bisimbermah, Nsawora, Asawinso Boako, Bibiam and Sefwi Bekwai.

*** 78 Soviet Scholarships Awarded in 1989**

34000112D Accra GHANAIAN TIMES in English 30 Dec 89 p 3

[Text] The Soviet Government has since the beginning of the year offered a total of 78 scholarships to Ghanaians to pursue various studies in the Soviet Union, Mr M. O. Danso, president of the Ashanti Region branch of the Soviet-trained Ghanaian Graduates Association (SOTGGA), has said.

Out of the number, 60 were offered to the Ghana-Soviet Friendship Society (GHASOFS) while the remaining 18 scholarships went to SOTGGA, he added.

*** Tema Drydock To Repair Larger Ships**

34000112B Accra PEOPLE'S DAILY GRAPHIC in English 29 Dec 89 pp 1, 8-9

[Article by Debrah Fynn]

[Text] The Tema Shipyard and Drydock Corporation which hitherto has been associated with the repairs of smaller vessels has made a giant stride by venturing into the repairs of bigger vessels.

This follows the rehabilitation of some vital equipment at the cost of 490,000 pounds sterling being part of a loan granted by the Export Credit Guarantee Department (ECGD).

At the moment, an 800-foot long oil tanker is undergoing repairs at the drydock.

The vessel, MT "Polymnia" owned by Tsakos Shipping and Trading Company of Greece, has been lifting Ghana's crude oil from Nigeria.

Under a joint venture agreement entered into last year, the Ghana National Petroleum Company (GNPC) earns a shareholding in the ship through its use of the ship.

These came to light when Mr Tsatsu Tsikata, Chief Executive of GNPC and Captain P. N. Tsakos, President of Tsakos Shipping and Trading Company accompanied

by a team of officials from the GNPC visited the drydock yesterday to ascertain progress of work on the vessel, which berthed on December 6, this year.

The drydock which is the largest on the Atlantic coast of Africa, has since its establishment only been used for the repair of much smaller vessels, especially local fishing vessels.

Conducting the team round, Commander (rtd) K. T. Dovlo, Managing Director of the Tema Shipyard and Drydock Corporation, said the idea to drydock the tanker at the yard was initiated jointly by the GNPC and Tsakos Shipping Line as a means of putting the hitherto under-utilised potential of the drydock to use and also to demonstrate to the international shipping industry this potential.

To facilitate work on the vessel, Commander Dovlo said the ship owners have provided 55 specialised personnel from Greece and Poland while the corporation has also mobilised 210 of its workers on the job.

On recapitalisation of the drydock, Commander Dovlo said about five foreign companies, including Tsakos Shipping, have expressed interest in joint ventureship with the government to run the corporation. He, however, did not give details.

Captain Tsakos on his part said apart from the financial gains to be made by the corporation, the repair work will pave the way for other big shipping lines to utilise facilities at the drydock.

Other benefits to be derived from the work, he said, will include the imparting of expertise from the foreign personnel on the job to workers of the drydock.

Tsakos shipping has been associated with Ghana since 1981 when it first won a tender to lift crude oil for the then Petroleum Department.

Guinea

* Agricultural Policy Said Encouraging Dependency

90EF0165A Paris *POLITIQUE AFRICAINE* in French
Dec 89 pp 38-55

[Article by Annie Cheneau-Loquay, CEGET-CNRS [National Center for Scientific Research]: "The 'Agricultural Policy': An Empty Concept?"]

[Text] Ever since the "new regime" came to power, food dependency seems to have increased exponentially in Guinea. Rice imports that rose steadily before 1984 have now nearly doubled. Going from 7,000 tons in 1958 to 50,000 in 1982, they exceeded 100,000 tons by 1985, climbed to 160,000 by 1986, and probably hit 200,000 by 1989. Between 1974 and 1986, grain imports (imports plus food aid) increased 2.4 times. This nation joined and even overtook neighboring countries where food dependency is relentlessly worsening. From 1974 to

1986, grain imports in Senegal rose 1.6 times, in Sierra Leone 1.8, Liberia 3, and Ivory Coast 3.5. With some 33 kg of grain imported per person, Guinea has now achieved Mali's rate of dependency (35 kg), about one-third of its needs.¹

Guinea is, therefore, totally comparable to most West African countries from the standpoint of the central goal of all agriculture: its ability to feed its people. It is increasingly dependent on other nations. And yet, it has always been claimed and written that Guinea's situation was very different from that of its neighbors:

This is so in a positive way, given the importance of its natural resources, its prestigious export agriculture in the 1950's, and the predominant nature of rice in production and consumption. Actually, rice is a strategic product in Guinea. It is not an urban foodstuff strictly speaking, but it is the staple diet item in all regions. However, it is mainly the country's main crop, with some 45 percent of the cultivated land area and production on the order of 350,000 to 400,000 tons of rice per year now covering two-thirds to three-fourths of all needs.

It is true in a negative way, given the collapse of the economy under Sekou Toure.

From a macroeconomic standpoint, based on the idea that Guinea is principally a mining country (the second-ranking producer in the world and the leading exporter of high-quality bauxite, substantial reserves of iron ore, diamonds, and gold, 86 percent of the total value of mining exports in 1988), one might think it is in a more favorable situation than most other West African countries. Unlike them, it is not forced to obtain foreign exchange by exporting agricultural products and as a result, more than elsewhere, emphasis may be placed on the promotion of national food products.

The agricultural activities on which 75 percent of the people depend make up only 30 percent of all gross domestic products, and in 1989 the situation of agriculture appeared rather confused, even paradoxical. In order to try to understand it, one has to distinguish several levels of analysis:

First of all, the facts: Guinea is so misunderstood that it was necessary to try to present at least a summary balance sheet at the time of the opening in 1985-1986 so as to visualize the main assets and production limitations as well as the problems of agriculture and the farmers.

Next comes explicit policy: theoretical principles and the first practical results of attempts to resolve these problems and promote "rural development."

Finally, we come to implicit policy: the interplay of protagonists and the ratios of strength that alone make it possible to explain apparent contradictions and ascertain whether other agricultural policy guidelines would not be better adapted to Guinea's own situation.

Virtualities and Limitations: Heavy Legacy

The first problem, the lack of data to serve as a basis for analysis and decisionmaking, is particularly crucial in a country where for 25 years summaries were more political than statistical. The establishment of a system of agricultural surveys is planned, but in the meantime, all available figures are based solely on existing estimates, those completed by the SCET-AGRI [expansion unknown] consulting firm in 1985-1986. We shall, therefore, base our arguments on the coastal zone where we worked more than on other regions.²

Disjointed National Space

The food question is inseparable from the growing burden of Conakry and the disjointedness of the national space. Guinean territory is divided into three regions that are by and large separate from one another. The urban world is chiefly Conakry, offset on its peninsula and the country's only large city with 27 percent of the population: roughly 1 million inhabitants in 1988 out of a total of 6.5 million, an increase of nine times in 30 years, a current growth rate of six percent annually, and an accelerating rural exodus. The capital is a plethoric government apparatus, a population of wage earners playing the dominant socioeconomic role, along with related merchants and artisans.

Covering an area 240,000 km², the four interior regions correspond to natural environments and different majority ethnic groups. Isolated by waterways, mountainous relief, and very poor roads, they were, under the "old regime," equally or even more connected with neighboring countries than they were with the capital. The previous policy also strengthened geographic obstacles through excessive centralization around Conakry, with the resulting abandonment of the peasantry. A rural population of 4.5 million inhabitants is growing at a rate of 2.4 percent a year. The rural world forms a silent majority living on small family farms (some 700,000 with an average of two hectares), an essentially subsistence agriculture that is, nevertheless, sufficiently varied to meet needs and provide some income.

A third world different from the other two nearly functions as an extra-territorial unit: the mines, worked by big international consortiums, veritable modern enclaves.

Potential More Limited Than Expected

Agricultural production must grow three percent a year to keep up with population growth. Guinea does have great potential, but nowhere near the virtually mythical descriptions preceding early estimates made since 1984. Deterioration of the soil and forests is widespread. "Our prime export," one reads in the Ministry of Agriculture's candid diagnosis in 1989,³ "is not bauxite, as one might expect, or coffee. Rather, it is our soil.... The impact of human population growth is such that entire areas are now under water." Of an estimated arable surface of 6

million hectares, only 1.6 million are reportedly cultivated every year. And yet, the practice of leaving land fallow means that the territory's potential has nearly reached its limit. Actually, suitability for cultivation varies greatly from one region to the next.

In a strategy of food self-sufficiency, it is the region of maritime Guinea close to the capital to which one should appeal. With a very rainy winter season (3,000 to 4,000 mm [millimeter] from north to south for seven months), the coastal region can supply a varied range of products: palm cabbages, fruit (bananas, mangoes, pineapples), vegetables, manioc, and chiefly rice. Water resources are consistent and average rural density is relatively high: around 40 inhabitants/km². Over 150,000 hectares of fluviomarine plains presenting favorable agricultural features and some 75,000 hectares considered "workable" at acceptable costs are underdeveloped or poorly developed even though the soil is often of excellent quality. The people of the "South Rivers" have very old, elaborate traditions of flooded rice growing, and they demonstrate remarkable initiative and adaptation in the face of climatic and political uncertainties. And yet, with their manual techniques, they can only develop limited sectors ever threatened by an excess or shortage of fresh water. Areas used for flooded rice growing total only 35,000 to 40,000 hectares. Expanding these areas in the lowlands and maritime plains (while preserving the mangrove swamps that provide firewood) would require water projects outside the peasants' reach. Our analysis of agrarian systems in this region shows that, despite obstacles and with no outside intervention, Maritime Guinea is capable of yielding surplus production and effectively helps to supply the capital.

In contrast, the agricultural situation in Middle Guinea is disturbing. The upper Fouta Djallon plateaus at an altitude of some 1,000 meters have a high population density of from 50 to over 100 inhabitants/km² with modest crop growing possibilities and serious erosion problems affecting poor, often crusted, soils with only a light forest cover. This is the domain of the Peul, who combine cattle raising on the plateaus with varied food crops, *fonio* on the slopes, vegetables in the fenced fields, and rice in the valleys. Cultivated areas have reportedly declined in the past 25 years, while the population has grown.⁴ The explanation of this anomaly may be found in an accentuation of traditional seasonal migrations of young men to Senegal, primarily to cultivate peanuts, but also in an increase in permanent migrations to other countries fleeing the regime: The Peul were actually Sekou Toure's prime target.

Upper Guinea, the Upper Niger Basin, area of the savannas, is the least densely populated region. It has abundant but mediocre soil reserves. Agriculture (rice, cotton, tobacco, and peanuts) can be found in competition with the working of gold resources. The mainly Mandingo population is very oriented toward trade with Mali and Ivory Coast.

The forested area of Guinea in the extreme southeast is isolated from the rest of the country and more directed toward Ivory Coast. Its scattered population of foresters has never enjoyed great economic or political importance. This region was once considered a rich reserve, particularly for the country's rice and coffee production, but so much land has been cleared due to Malinke population migrations that the region is reportedly close to saturation. Of the estimated 800,000 to 1 million hectares of dense, humid forest existing before 1984, only some 400,000 are left.

Limitations at All Levels

The entire country suffers from the same limitations at all levels of production. Despite relatively humid climates, varied soils, and some remarkable know-how, yield is poor using only manual labor. Peasants have no technical means to fight grass encroachment and predators or to process products. Everywhere there is a lack of roads, trails, bridges, and health clinics, infrastructures desperately needed by rural people. The rural world is, on the whole, totally deprived and its inhabitants were traumatized by the previous system. Its unsuitable attempts at modernization and organization all failed.

For Guinea more than any other country, this failure appears paradoxical when one compares it with the infinite hope of the 1960's. The most promising country for colonizers, the one most richly endowed with natural resources ("Africa's watershed," a "geological outrage"), was, at the time of Sekou Toure's death in 1984, in a state of collapse, "left fallow," one of the 20 poorest countries in the world with a per capita income on the order of \$300, the lowest life expectation (40), and one of the highest infant mortality rates (140 percent).

Explanation

Does its legacy explain everything? It is indeed heavy. In 1958, the fact that all French agencies abruptly burned their bridges with Guinea was decisive in the options chosen by Sekou Toure. Planters mainly established in the banana region had to leave. Without them a now very modern plantation economy collapsed, while the other newly independent nations inherited export crops bent on expansion. Investment projects stopped short, particularly water projects in the coastal plains.⁵

In agriculture, the methods used were a caricature of the collectivist system consisting of indiscriminately superimposing structures on peasant organizations in an attempt to get them going. Since 1978, district farms and ranches, for which a special ministry was set up, absorbed almost all investments devoted to the agricultural sector. It was an attempt to create mechanized, state agriculture using young people, most of whom had been forced to study agronomy. Peasants were to give them their best land, but they actually received the worst portions. The standard equipment donated by Eastern-bloc countries was ill-adapted to local conditions and poorly used. Production of these farms rapidly dropped

below the level of surrounding farms. Today such state land is often claimed by families that once owned it, and there remains a plethora of "agronomists" who work little and are paid poorly, if at all. Nevertheless, some act as lenders, albeit outright usurers, vis-a-vis the farmers.

The low prices set by the government and the requirement of turning part of production over to it acted as deterrents. Producers fled the official market and a black market developed, along with smuggling at the borders and a search for other activities unrelated to agriculture. The peasant exodus led to a collapse of farm production, the portion involving export products, first of all, with the collapse of bananas and coffee, sold illegally in neighboring countries. By 1984, agricultural exports made up only 0.3 percent of all value compared with 68 percent in 1958, but bauxite and aluminum exports made up the difference, so that by the time of Sekou Toure's death, Guinea still had balanced trade.

While the current situation is linked to the past and although, despite these limitations, Guinea remains an original country because it is virtually better endowed than the others, then are these differences decisive from the standpoint of choices of an agricultural policy? Apparently not, for there is now an attempt to apply the same universal formulas for "recovery" that one observes everywhere else.

From Theory to Liberal Practice: Same Formulas for Recovery

A Contradictory Explicit Policy

Despite the size of the debt and while the general trend in Africa leans toward a reduction in financial aid, such aid is not lacking in Guinea.⁶ Since 1987, with over \$200 million in assistance annually, the country is catching up with its neighbors and becoming the African nation that has mobilized the most international aid. Agriculture would no longer be neglected in Guinea and, after all, have investments in the rural sector not greatly increased? For 1987-1988-1989, they represented 24 percent of all public investments, with very pronounced support from the international community (80 percent of the total), led by France. After monetary and fiscal reform, rural development became the "top priority."

The definition of objectives and practices for the agricultural sector revolves around two essential questions: Should export crops be favored over food crops? Should one or should one not set the price of rice and control imports? Next comes the matter of the taxation of imports and subsidies on consumable expenditures.

Food Production or Export Crops?

After being as isolated as possible from the Western world for a quarter of a century, Guinea is now under the umbrella of the IMF and the World Bank. Since early 1986, it has applied a rehabilitation policy that is, in principle, in keeping with orthodox structural adjustment plans: openness to the international market, free

circulation of goods, privatization, austerity, total deregulation of prices (in the long run), and preceded by devaluation. Regarding agriculture, since errors in management were particularly blatant in Guinea, the World Bank proposed its classic methods as early as 1983: stressing small family farms by increasing economic incentives to production. This would be done by creating an environment of commercial pluralism in which prices would be increasingly linked to the interplay of market forces and Guinea would have to stress export crops for which it could enjoy "comparative advantages." Institutions and policies had to be modified to make them capable of providing the services and incentives needed by small farmers.

For his part, as soon as he came to power and in his official address of 22 December 1985 that launched the reforms, President Lansana Conte, who is fond of calling himself a "farmer," reaffirmed the priority given to the quest for food self-sufficiency. In 1987, one heard nothing but ensuring food security and the development of export crops.⁸ Two years later, at a September 1989 cabinet meeting, the government was reportedly upset over the fact that the cost of importing food had reached unacceptable levels: nearly \$100 million, over 20 percent of the total cost. It reportedly decided to be stricter and return to the goal of seeking self-sufficiency in food.

No Subsidies?

This is a matter that splits financial backers. While for the World Bank there can be no question of taking a country away from the international market by subsidizing consumable expenditures or supporting prices in order to protect producers, for the Central Fund for Economic Cooperation (CCEE) the practice is claimed to be beneficial because it stimulates production.

In order to reconcile some self-centeredness without rejecting the opening to the world market, most French reports⁹ recommend taking advantage of the difference between domestic and foreign rice prices to create a tax, thereby procuring resources to be used for developments in the more favorable zones and subsidies for consumable expenditures.

The farm question may, therefore, essentially appear to be a point of ideological confrontation pitting the Guinean Government, which oscillates between protecting urban consumers and rural producers, against institutions in Washington that want to remain in line with current liberal orthodoxy and other backers (France and, to a lesser extent, the EEC), which question the strictness of structural adjustment plans.

The basic study by experts, who in 1985 examined possible strategies in the agricultural sector,¹⁰ estimates that the goal chosen in the interim recovery plan: becoming self-sufficient in rice in 10 years, was unrealistic. Such an option implied a growth rate of 47 percent or 4 percent annually, a considerable production effort mainly involving the coastal zone, where a mere increase in the productivity of farming systems would not be

enough. Since investments had to be made to achieve new intensive production methods, self-sufficiency was very expensive and might turn out to be "uneconomical" compared with world rice prices that were expected to continue to drop for a long time to come (80,000 to 90,000 GF (Guinean francs) per ton (\$200-\$250) in 1986). It was, therefore, advisable to take advantage of this fact and, despite the albeit very high national potential, import rice. Moreover, an estimate of comparative advantages of export crops led to the conclusion that among possible exports, coffee might provide a substantial source of foreign exchange revenue: GF15 billion with 15,000 tons at 10,000. However, it was noted that there was no real comparison of strategies between food products and export products, with every region able to benefit from its own advantages.

After 1984, the first measures to free prices and the disappearance of the party and government commercial firms had undeniably beneficial effects on producers, first of all by doing away with essential sources of mismanagement.

Limited Possibilities for Export Crops

The increase in prices on export products is "at the heart of the structural adjustment."¹¹ For Guinea, these products are essentially fruits and coffee. The palm cabbage, no longer used in 1986, inundated merchants when the price rose from GF15 to GF60 the kilo. However, since palm cabbage prices were low on the international market, the euphoria lasted but a few months. Guinea's mangoes, of very high quality, have a better chance. Two cooperatives in the south were revived by local planters and have succeeded in exporting small quantities, but for the time being, large quantities of mangos are rotting. Pineapples produced on the coast are also of excellent quality, but the packing plant, a Guinean-Libyan joint venture, runs very poorly even though renovated by the CCEE. Nor is the national marketing company FRUITEX reliable. Since the foreign market is totally closed, there can be no question of starting all over with bananas, however dear they may be to Guineans for whom the planter's prestige from the '50's has not diminished. And yet, some plantations have been taken over by officials of the new regime, much to the displeasure of neighboring peasants demanding the land. The amount of coffee marketed went from 303 tons in 1984 to 9,300 tons in 1988, and the purchase price to the producer has risen. However, the quota awarded Guinea by the International Coffee Organization was not increased (4,900 tons in 1988) and there is consequently a problem of markets. The bottom price, GF500 per kilo, was not adhered to everywhere and some peasants had to sell production even more cheaply (GF250). Cotton production, amounting to a few tons in 1984, totaled 2,300 tons in 1988-1989, but must be confined to domestic needs.

Therefore, export products were encouraged, but problems with packing, storage, marketing, and partnerships have not been resolved and market prospects remain

grim. In the final analysis, Guinea, which arrived late on a saturated world market with very low prices, seems to have very little going for it in the way of export crops. And yet, the agricultural products' share of the trade balance was so small that it has grown a bit since 1985. It reportedly went from 0.6 in 1983 to 5.4 percent in 1988, but nothing guarantees that such progress will continue.

Unstable Prices for Food Products

With the freeing of prices, foodstuffs and expendable items suddenly shot up to a higher level, that of the former black market. Then the devaluation caused those prices to rise even further. Production for the domestic market was particularly stimulated for vegetables, manioc, fruits, and palm oil, mainly around Conakry, for in a context of shortages, the market opened up.

For producers, no permanent price rise exists. In Maritime Guinea, the price of local rice varied greatly depending on the place and period during the 1985-1986 season, with very high prices in Conakry at harvest time given the great demand and a rather poor crop. In 1986-1987, according to our figures, the price of rice paid to the producer at harvest time was not a deterrent¹² despite good crops. Since that time, fluctuations have been smaller and the price is increasingly set, based on the ever more abundant imported rice, either at the same level or slightly higher, even between seasons.

For consumers, the price of rice, like that of gasoline, given their impact on the urban standard of living, has remained set. In the beginning, it was necessary to compensate for the price rise linked to the devaluation (despite an inadequate wage increase of 80 percent) and increase the amount of rice imported so there would be no parallel market, thus countering speculation. Private merchants were authorized to import rice and open stores. For Conakry residents, who until 1985 enjoyed rice distributed at a very low official price, the price increase was very great. From GF20 a kilo in January 1986, the official price went to 80 in April, then 100 in July. In 1988, Africa suffered the effects of an increase in the price of rice on the international market resulting from poor crops in Asia. The Guinean Government intervened several times to prevent an excessive, sudden increase. Its sometimes clumsy action (the elimination of tariffs, modification of wholesale prices) partly explained the uneven supply and crisis in August and September, with critical shortages and substantial price hikes between seasons, which crisis resulted in "an explosion of imports far exceeding needs" at harvest time. From GF110 in January 1988, the official price of rice in Conakry went to 210 in September and remained at that price in March 1989, while the retail price rose to GF530 in September-October, then dropped to GF286 in January.¹³ The goal of achieving the prices of neighboring countries was, nevertheless, not attained because the Guinean franc continues to depreciate. World prices

have, therefore, not turned out to be as stable as World Bank experts believed in 1986 but imports have, nevertheless, steadily risen.

Increase in Imports and Food Dependency

While the current grain production (rice, fonio, corn, and millet) does feed the rural population, the most crucial problem is supplying the capital. Conakry consumes some 80,000 tons of rice a year and its needs are expected to increase 50,000 tons by 1995. The city is, therefore, dependent on the foreign market. But the quantities imported (200,000 tons in 1989) no longer have any relationship to the country's shortage, which is around 120,000 tons a year.

The imported rice channel is actually unrelated to local rice. Since private merchants have been authorized to import rice, it arrives at the port of Conakry and is sold in the city, but also in the provinces, and is mainly reexported abroad, where prices are more profitable: to Mali, Guinea-Bissau, Liberia, and even Ivory Coast, which is totally illegal.

Today one can say that imported rice definitely competes with local rice even though it can be found on rural markets ready to cook at any time and at affordable prices. Even the forest region, the prime producer, now has imported rice! The speculation of small local merchants, with whom the peasants run up a debt, is thus reduced, but big traders are less and less interested in local rice. An effect precisely opposite what one had desired is thus achieved: Instead of promoting small family farms, national production is discouraged by pressure on prices and the closing of the market.

Inflexible Production

The hypothesis of a structural adjustment based on the existence of flexible agricultural production that would be positive and strong solely due to prices is, therefore, far from confirmed. While the country was self-sufficient in 1958, food production scarcely followed population growth in rural areas under Sekou Toure. In contrast, production of rice and other foodstuffs such as meat must increase in the years ahead in order to feed an expanding population. However, since the new regime came to power, the overall population increase has not been clearly established. Despite the elimination of compulsory shipments, agricultural activity reportedly experienced no recovery in 1985. In 1986-1987, production of rice and other foodstuffs improved somewhat, mainly as a result of very favorable climatic conditions and perhaps also, but to a lesser extent, because prices had risen. During the 1986-1987 and 1987-1988 seasons, producers increased areas under cultivation, on the coast at least, but since that time the increase seems to have leveled off.¹⁴

Uneven supplying of the rice market certainly does not help encourage farmers to produce more, especially since the definite preference of consumers for local rice cannot last if the price is clearly higher than that of imported

rice. But as long as restrictions are not lifted, one can scarcely count on a consistent increase in the amount of land in rice. Furthermore, it is difficult for farmers to intensify production if they have no access to the consumable expenditures and equipment they want as long as they are not subsidized. With devaluation, fertilizer went from GF18 to GF150 a kilo. Farmers often want tractors without realizing that the price is totally out of reach or that the ones available are ill-suited. They probably recall the prices for tractors previously delivered by Eastern-bloc countries, totally unrelated to any "economic truth" as we know it today.

Therefore, farmers are doubly penalized. They can neither produce more without materials and equipment nor increase prices due to pressure on the world market and urban consumers.

Far from being resolved, structural problems may worsen and rural society gives the impression it expects as much. This situation obviously shows the "perverse effects" of the liberal opening that may help confine traditional agriculture to autarchy and, at worst, even bankrupt it.¹⁵ This also shows what factors are at work in Guinean society.

Implicit Policy: Ensuring Reproduction of System

The success of the structural adjustment policy demands nothing less than a total change in thinking. In 1986, while the gross domestic product was \$270 for the population as a whole, it was only \$100 for the rural population. The monopolization of wealth by urban society at the expense of the rural world must be halted or even reversed, but the confrontation of interests is a definite obstacle.

Private merchants, once victimized, play an increasingly decisive role. While the previous system limited possibility of gain and it was often better not to display one's wealth since the president might take a dim view, there are now fewer limits and local merchants are, in fact, the only private national entrepreneurs with a certain financial standing.

Starting in 1970, successive purges enabled the commander in chief to claim that the capitalist sector no longer existed in Guinea. However, even without great freedom of action or official sanction, big merchants took advantage of a situation of relative shortages and enjoyed hidden power by virtue of their relations with high officials.¹⁶ Today these relations still stand and many officials engage in commerce.

As for financial backers, everything leads one to think they are mainly active on the local level due to their current political line and seek to apply in practice the principles they would like to implement on the national level.

For the 1984-1988 period, the investment program totaled \$504 million. First of all, an Office of Strategy and Development (BSD) was set up to strengthen the

Ministry of Rural Development's programming capacity. The BSD was considered too costly by the World Bank that financed it, however, and was eliminated in 1989. Direct action in the rural world intensified from 1987 on in the form of projects. A total of 92 different, uncoordinated undertakings financed by various backers divided up the territory (see map above). The drawbacks of the project approach have been demonstrated. In theory the goals are different but the strategies converge: Nearly always it is a matter of how to "capture" the farmer, how to make them "participate and organize." However, "the farmers," traumatized by the previous system, fear any form of organization (they have their own) and participation that is proposed to them and are especially afraid their traditional land systems will be affected.

Every prefecture should be covered by a project. Decentralization, recommended with a certain autonomy of development, may be brought about at the level of the district, new basic territorial entities that include about 1,000 persons, elect councils, receive part of the taxes and, in principle, enjoy broad decisionmaking powers. But when the districts cannot collect what is coming to them, the lack of financial means is the rule.

Actually, between the structural adjustment plan, the contradictory official proclamation giving priority to the search for food self-sufficiency, and, particularly for the past two years, division of the territory into highly diverse projects financial backers often more anxious to ensure their presence than to promote agriculture, Guinean technical experts in the Ministry of Agriculture confess there is now a "gap" in the "agricultural policy" concept. A coordinator of agricultural policy has just been named to be in charge of programming action in the field because it must all fit into one national policy.

As for the parties mainly concerned, the farmers, one definitely finds in Guinea the image common to all Africa of a peasantry that rhetoric names as the prime beneficiary of development, but which is actually sacrificed to the interests of other social classes. Under the old regime, it was actually less dependent. Removed from the official market, it retained its own organization of production and created its own trading circuits. It was a "noncaptive" peasantry.¹⁷ In a liberal context, it may be rendered even more fragile because it will be more subject to market contingencies.

Another Agricultural Policy?

Now that current options mainly favor imports and increase the debt and dependency, are other priority objectives not to be considered?

With "resistance," "errors," and "brakes" on SAP [structural adjustment programs] increasing, the IMF is now less demanding about conventional practices in Africa. Could one not consider a different policy for Guinea, one more oriented toward what makes the country's originality, its suitability for rice production?

The coastal plains of Lower Guinea represent a considerable production potential for rice. However, in the country's recent history, as soon as a massive increase in rice production went on the agenda, some of the plains were developed.¹⁸ The issue of development is now posed with particular acuteness, for it involves such complex problems as harnessing water and the heretofore unresolved

problems of management and maintenance. But are these problems technically insoluble or is it not rather a matter of political will?

Removing limitations and promoting national production would require major investments, but it has not



KEY:

1. Rice project
2. Mangrove rice project
3. Integrated project
4. Livestock raising support center
5. Poultry and livestock raising center
6. Forest project
7. Fishing project
8. miscellaneous project
9. Area suitable for rice paddies

been shown that their cost is that heavy if one resolves to consider the assets of a particularly remarkable national potential and reject the short-term perspective. It is, in fact, clear that food self-sufficiency will not be reached in 10 years while amortizing investments, but one can reason over a longer period of time and on a different scale.

One important argument pleads a resolute policy of priority to investments. In the case of Guinea, rice production would not be limited in the long run by the domestic market, but could be exported inasmuch as the rise of rice consumption in West Africa offers a remarkable opportunity.

In the context of an African regional market, Guinea might envisage becoming what colonial projects planned: "a rice basket for West Africa."¹⁹ Actually, during the colonial period, major investments were earmarked for agricultural water projects. Indeed, the colonizer did envisage African autonomy on a regional scale. Moreover, the "regional market" already exists because rice does travel from Guinea to other countries and has for some time. In a country with such long borders, it is unlikely that smuggling or trade across such borders will be controlled.

A policy to promote national production in areas developed on the basis of family farms could perhaps increase the standard of living of a large number of producers rather than make a few merchants wealthy.

But can Guinean leaders—and are they willing to—play the card of surplus-producing agriculture that alone has managed to provide lasting food autonomy in Europe? In it they would find comparative advantages benefiting the peasantry while helping to achieve a foreign trade balance.²¹

Footnotes

1. IBRD data, 1988, 1989.
2. Republic of Guinea, Ministry of Rural Development, SCET AGRI, Agro-progress "Reorganizational Study of Agricultural Departments and Provincial Masterplans for Rural Development, Diagnostics, and Orientation," 1985 and 1986. A. Cheneau-Loquay, P. Matarasso, P. Usselman: "Contribution de la Guinée Maritime à la sécurité alimentaire du pays," Vol 1, Report, 100 pp, and Vol 2, Appendices, 178 pp, September 1989.
3. "Bilan apres cinq ans," April 1989, mimeographed internal document.
4. Boulet, J. and J. Talineau: "Elements de l'occupation du milieu rural et système de production agricole au Fouta Djallon: tentative de diagnostic d'évolution," *CAHIERS SCIENCES HUMAINES DE L'ORSTOM*, 24 (1) 1988, pp 99-117. 5. Only construction of the Fria aluminum plant was completed. All monetary transfers and exports were prohibited. The siphoning off of capital led Sekou Toure to leave the franc zone, create

the Guinean franc, set up a Central Bank on 1 March 1960, and institute foreign exchange control. He went very far in nationalization, the centralization of power, and especially the closing of the country. He opted for centralized planning and collective production.

6. Despite its substantial mining resources, the country had borrowed heavily since 1978, the beginning of a more open policy toward other countries. After going before the Paris Club in early 1986 and the rescheduling of the debt over 10 years, foreign constraints were alleviated only temporarily: \$100-\$200 million remains a considerable burden, particularly when one adds the new financial contributions needed to rebuild the foundations of development.

7. World Bank, Guinea, study of the agricultural sector, 1983.

8. 20 October 1987, opening speech of the agricultural minister to the conference of financial backers.

9. SCET-AGRI, op. cit., and P. Thenevin, "Proposals for Improving the Operation of Rice Growing in Guinea," April 1987, mimeo.

10. SCET-AGRI, op. cit.

11. On structural adjustment agricultural policies, see in particular J. Coussy, "Agricultural Policies in Structural Adjustment Programs," contribution to the seminar "The Economic of Agrarian Systems: The Economic Dimension," organized by EHESS and ORSTOM [expansions unknown], 1987-1988, and M. Griffon, "Agricultural Policies in West Africa: Elements of Analysis and Prediction," in *POLITIQUES AGRICOLES*, collection of papers from the 19th European Seminar of AEEA [expansion unknown] Agricultural Economists: Producers and Consumers Viewing Agricultural and Food Policies in Africa (the Challenges of Knowledge), 29 May-2 June 1989. Mediterranean Agronomy Institute, Montpellier.

12. Considering the price of rice, the number of hours it takes to cultivate one hectare, and production per hectare, an estimate in 1986-1987 showed that compensation for an hour of work in rice growing was about the same as the civil servant's wage and prices paid for agricultural labor confirmed the parity.

13. P. Thenevin, op. cit.

14. P. Thenevin and A. Cheneau-Loquay, op. cit.

15. M. Griffon, op. cit.

16. At least until 1979, when private trading was again legalized at the import-export level. Cl. Riviere, in "Social Classes and Stratifications in Africa: The Case of Guinea," published in 1978, shows that after independence, the nationalization of the old agencies (CFAO [French Company of West Africa], SCOA [West African Trading Company], French Niger), the concentration of activities around Conakry, and the specialization of the

import-export trade based on the classification of goods of the various national companies resulted in the decline of private firms to the rank of middlemen or retail or small-scale traders.

17. Not held captive by the bourgeoisie or the government, to use the term of G. Hyden.

18. Cheneau-Loquay, A. and P. Usselmann: "Agricultural Water Projects in Guinea: Fact of the '50's and Myth of the '80's," Tropical Geography Seminar, 3-4 September 1987, Papers and Documents of CEGET, No 641 989.

19. J. Suret Canale, "La Republique de Guinee," Paris, Editions Sociales, 1970.

20. See the works of J. Egg and his team on trade across the borders in West Africa.

21. As shown by P. Campagne in the European Seminar of Agricultural Economists (see Footnote 11).

Liberia

* Doe Delivers State of Economy Address

* Speech Details

34000113 Monrovia DAILY OBSERVER in English
22 Nov 89 pp 6, 7

[Excerpt] [passage omitted] Distinguished ladies and gentlemen, fellow citizens: We commenced this administration at a time when developing nations of the world including Liberia were experiencing serious decline in economic activities.

Since then, world market conditions for our primary export commodities have been less than favorable.

Equally, the heavy debt burden and its effect upon national budget and the balance of payments have served to further compound this adverse economic situation.

All of these external factors, and many more, Ladies and Gentlemen, continued to create unprecedented hardship on our economy.

Meanwhile, net national output and the foreign trade base or revenue have eroded, while decelerating growth in the mining and agricultural sectors has intensified the migration to urban centers and its accompanying problem of unemployment.

This development has, in turn, given rise to other socio-economic problems of inadequate housing, educational, health-care and employment opportunities.

As you may recall earlier in this decade, our economy experienced a reversal in business confidence involving a slow-down in foreign investment and an increase in capital flight.

In response, the government was left with no choice but to introduce a local currency on par with the United States dollar.

While this measure adequately addressed the lack of domestic liquidity occasioned by capital flight, it introduced the unfortunate side effect of inflation and the development of a parallel market.

These unfavorable circumstances, among others, contributed significantly to an increasing scarcity of foreign exchange within our banking system.

Despite various stringent measures instituted by government including the 25 percent surrender scheme to bring a larger percentage of exports earnings into the economy, the problem still persists, and in some instances has become more complex and entrenched.

This has placed us in a position whereby it is becoming increasingly more difficult not only to finance essential imports, but also to service our external debt obligations.

I should hasten to add here that this downward trend in our economy is taking place at a time when our produce and commodities including our precious minerals and depletable natural resources are being exported.

It would, therefore, not be an over-statement to conclude that the nation's economy has suffered many setbacks which have indeed touched every segment of the Liberian society and has implications for the long-term survival of the nation.

It is in this respect that our purpose here today therefore, is to once again enunciate a series of comprehensive policy measures aimed at ensuring economic recovery and bringing relief to our people.

These measures reflect the realities of our economic situation. It is therefore my considered view that their implementation will be in the long-term interest of the Republic of Liberia.

Due to the gravity of the situation, many of the measures to be announced today are extraordinary, and in the initial stages of implementation, may cause considerable difficulty for some of our citizens and those foreign nationals residing and doing business in Liberia. [passage omitted]

Revenue Collection

The achievement of the short-run goal for economic recovery and the laying of the foundation for sustained development require that certain fundamental changes be immediately instituted in the revenue collection machinery to correct those factors which account for shortfalls in collection.

In an attempt to address this matter, it is hereby directed that all accounts of the Government of Liberia which

have heretofore been controlled and operated by individual ministries and agencies of Government be and are hereby transferred to the Ministry of Finance.

It is also disheartening to note that numerous commissions and working groups set up by Government to review the nation's economic problems have been critical of the performance of the customs area.

Those reports have unanimously supported our suspicions of leakages in the system.

To help correct this situation and ensure that revenues due government are duly collected and reported, arrangements are now underway for the privatization of the entire customs operations beginning January 1990.

As originally conceived, the policy of granting duty-free privileges and tax exemptions to businesses and corporate entities to serve as incentive for investment in Liberia was a brilliant and timely innovation. However, we have seen this policy over-extended and even abused of late, to the point where the private sector is booming and the government is deprived of much needed revenue on which it depends. This situation cannot be permitted to continue without threatening the very viability of Government.

As revenues have continued to decline, duty rates have been increased, leading to further reductions in income as economic saboteurs have intensified their efforts to circumvent official regulations. Meanwhile, the higher rates of duties are passed on to the innocent consumers in the form of ever-increasing prices, which is only an excuse for profiteering, since the additional duty does not find its way back into government revenue.

In order to correct this situation, the following measures have been promulgated: 1) By virtue of the authority granted the President of Liberia to review all agreements, including concession agreements, all duty-free privileges except to bona fide and accredited diplomats and contracts involving major road construction projects are hereby suspended pending a review process; 2) All goods imported into Liberia are hereby declared dutiable at the flat rate of 20 percent on the CIF value, except for certain basic foods, medical items and agricultural inputs which shall be notified through the Ministry of Commerce and Industry; 3) A wholesale tax of 5 percent is hereby imposed on all goods into the commerce of Liberia except for certain basic foods, medical items and agricultural inputs to be notified by the Ministry of Commerce and Industry; 4) Meanwhile, all other existing duties and taxes on imports, including the 10 percent customs users fee, are hereby cancelled. To sustain our efforts for improving roads throughout the country, an annual road construction levy of \$10 flat across the board is hereby imposed.

Prices of Rice and Petroleum

The prices of rice and petroleum in Liberia at 23 and 2.90 Liberian dollars, respectively, are below the world market prices and the prices prevailing in our sub-region.

As a result, large quantities of both commodities are smuggled from the country, the local production of rice is discouraged and corruption is enhanced as individuals attempt to secure these artificially low priced commodities.

The net effect of this situation is that the provision of these products requires massive subsidies from the Liberian Government and has represented a constant drain on Government's already meager foreign exchange resources.

The Price of Rice

You will recall that in July of this year, we toured the city of Monrovia and its environs in order to discuss with our citizens and residents and received from them firsthand information regarding the issue of rice production.

We were pleased with the tremendous response from our people and the concrete proposals they advanced.

It became clear from the exercise that the imported rice sold on the Liberian market was under-priced, and the situation was therefore in itself a disincentive to farmers in their effort to boost rice production in the country.

In order to establish a more realistic market price, fifty percent of Government's subsidy to rice is hereby withdrawn, which means that the controlled price of a one hundred pound (100 lbs) bag of imported rice will be thirty-five dollars.

This price increase should lead to rapid cessation of smuggling, increased local rice production and increased Government revenues. While this price increase will cause some difficulty for some of our people, the negative impact will be considerably cushioned and partially compensated by expected lower costs for many imported goods due to reduced duty rates, the new lower income tax rates, and the new increases in earnings.

Petroleum Products

Petroleum products sold in Liberia in local currency are priced at approximately one-third of prices prevailing in most other countries in the region. At the present price, the Liberian Petroleum Refining Corporation is actually selling a gallon of product at below replacement cost, after taking into account excise taxes levied by Government.

In order to bring the price of local petroleum products closer to regional levels, and to discourage excessive smuggling and increase Government revenues, the excise tax on gasoline is hereby increased by fifty-five cents (L\$0.55), to be reflected in an increase in the retail pump price to three dollars and fifty cents (L\$3.50). This

increase shall be passed straight through to Government revenue without any exemptions or concessions whatsoever.

Foreign Exchange

Another area of concern to us has been the issue of foreign exchange. Exports being the main source of foreign exchange earnings for any country, Liberia being no exception, requires systematic reporting and control. The present monetary arrangements of Liberia require a standing distinction between local currency and foreign exchange, and the budgetary process under which Government matches the sources and uses of revenue cannot ignore this new reality.

The persistent acute shortage of foreign exchange has made it necessary to design the following measures which, it is hoped, will pool, conserve and halt the dissipation and discretionary use of Liberia's foreign exchange: 1) As of January, 1990, the 25 percent foreign exchange surrender scheme, and all arrangements contingent thereupon, shall be cancelled subject to repeal by legislative action. Financial arrangements for the purchase and payment of all goods exported from Liberia shall be made through the commercial banking system acting through the National Bank of Liberia in convertible currency. 2) Effective January, 1990, the Government of Liberia through the National Bank of Liberia will provide foreign exchange to all commercial banks to assist their customers; however, any bank or other business entity found violating any aspect of this regulation will face the full consequences of the law. 3) Commencing January, 1990, all local employees in the employ of international organizations, foreign missions, concessions and other exporters are required to meet their payroll and other local expenses in foreign exchange through the National Bank. 4) It is hereby directed that with immediate effect hotels throughout the country are to receive payment in foreign exchange from foreign guests in settlement of their bills. The Ministry of Finance and the National Bank of Liberia are directed to work out the modalities necessary to ensure compliance.

Wages and Salaries

Distinguished ladies and gentlemen, in order to cushion the effect of these structural adjustment measures on our population, it is vital that Government makes provision whereby both actual and real incomes are increased so that the purchasing power of consumers is raised.

Accordingly, the following measures are to be taken as of January, 1990:

1. All wages and salaries of public sector employees are to be increased as of January 1, 1990, as follows: (A) employees earning wages and salaries up to \$500 will benefit from a 25-percent increase in gross salary; (B) earnings from \$501 to \$900 will be increased by 15 percent; (C) salaries from \$901 and above will be increased by 10 percent.

These increases shall be over and above the increases previously announced by Government during the past year.

2. All taxes on personal earnings, i.e., Income Tax, National Reconstruction Tax, etc., are cancelled as of December 31, 1989, and replaced by one consolidated Universal Earnings Tax, to be levied at a lower rate.

3. Annual personal allowances are to be increased to three thousand dollars (L\$3,000) with the effect that there will be no earnings tax deducted on incomes from two hundred and fifty dollars and below.

4. Thresholds are to be adjusted upwards and overall personal tax rates are to be reduced.

Meanwhile, the Civil Service Agency and other concerned agencies of Government are hereby directed to carry out a complete inspection commencing January, 1990 of Government employees and payrolls in order to streamline operation and remove ghost employees.

While these measures may not provide the panacea for our economic problems, we believe they constitute a sound basis for stabilizing the economy in the short-run and for initiating the medium to long-term recovery and growth program for Liberia.

Those measures announced today requiring legislative action will be forwarded to that honourable body for due consideration, while detailed information on their implementation will be made available through the Ministry of Finance. [passage omitted]

* Rice Price Increase

34000113 Monrovia DAILY OBSERVER in English
1 Dec 89 pp 1, 3

[Text] The Commerce Ministry has been explaining the factors responsible for the rise in the price of rice from \$23 to \$35 a bag.

Deputy Commerce Minister Maxwell Kaba told journalists yesterday that the level of government's subsidy to this staple commodity was confirmed by a price structure study financed by the United States Agency for International Development (USAID) on behalf of the Liberian Government.

In the study, he said it was recommended that the total government's subsidy be withdrawn and rice be sold between \$46 and \$50 per bag in order to relieve government of financial strain. Notwithstanding this proposal, Minister Kaba explained, government only withdrew 50 percent of its subsidy in order to maintain the price at a manageable level.

The withdrawal of 50 percent subsidy, or L\$20, now makes the price of rice \$35 as announced in the economic policy measures by President Samuel K. Doe last Tuesday.

Asked to comment on the opposition Liberia Action Party (LAP) statement that the bulk of the rice is being received on a gratis basis and as such the sudden increase in price of rice is not justifiable, Minister Kaba said LAP has taken the rice issue out of context.

However, he agreed that the United States Government and some other governments were supplying Liberia with rice "but this may be limited." He stated that the Liberian Government has devised several means to obtain rice on the basis of subsidy, and the proceeds realized therefrom are being utilized to finance development projects.

"With monthly consumption averaging 10,000 to 11,000 metric tons and with annual consumption of imported rice between 120,000 and 130,000 metric tons, the aggregate of government foreign exchange spending is estimated at about US\$40 million or the equivalent of over \$111 million Liberian dollars. The level of government's annual subsidy amounted to about L\$63 million which could have been utilized to undertake government priority development projects in the areas of health, education, road construction and agriculture.

Mr. Kaba stated that the huge subsidy which kept the price of rice at \$23 did not only serve as a "dis-incentive to domestic rice production, but also encouraged illegal re-exporting of rice from Liberia to more attractive markets in the West African sub-region where rice is sold for about \$40 to \$65 per bag."

He said the sale of rice at \$23 per bag encouraged hoarding and profiteering, thus creating artificial shortage of the commodity on the local market.

* Revenue Increase

34000113 Monrovia *NEW LIBERIAN* in English
24 Nov 89 p 1

[Text] The Liberian government is to generate an additional \$4.8 million from the sale of 400,000 bags of rice provided Liberia by the U.S. Government under the PL-480 rice grant agreement.

Commerce Minister, J. Wesseh McClain, said the \$4.8 million will be realized from the increment in the price of a bag of imported rice from \$23 to \$35 as announced by President Samuel K. Doe Tuesday. Minister McClain made the disclosure Wednesday when the Economic and Financial Management Committee (EFMC) met with the Liberian Press to "explain the impact" of the economic speech delivered by President Doe Tuesday.

Minister McClain said rice distributors have been advised to report the extra money weekly into government's revenue.

On transportation fares, Transport Minister McLeod Darpoh said passengers within the Monrovia area are required to pay additional five cent on all commercial travel in Monrovia and its environs.

Minister Darpoh said transportation price structures for the entire country has already been released to the public to reflect the 60 cents increase in the price of a gallon of gas announced by the President on Tuesday.

A gallon of gas now sells for \$3.50 from \$2.90.

Finance Minister Emmanuel Shaw said the Liberia Petroleum Refining Corporation (LPRC), has levied 60 cents per gallon of petroleum on its daily output, and that Finance Ministry personnel would be assigned to the LPRC compound to ensure that said amounts were deposited into government's revenue. [passage omitted]

* Customs Plan Explanation

34000113 Monrovia *DAILY OBSERVER* in English
27 Nov 89 p 4

[Text] President Samuel K. Doe has said that his government is not privatizing customs operations as was stated last week in his speech on the nation's economy.

In his speech, President Doe said arrangements are underway for the privatization of customs operations beginning January 1990 in an effort to boost government's revenue. But at a press conference last Friday at the Executive Mansion, Dr. Doe clarified that his government is not privatizing customs, saying, "It could be that the appropriate word was not used on that day, but we are not selling customs to private people."

He said those who will be coming to take over the customs will be responsible for helping government to generate needed revenue. "There are people who are supposed to bring in money," Dr. Doe said. "Thousands of them enjoy duty free privileges for many years and do not pay taxes. But when this team comes, they will go out there to make sure that taxes owed government are paid." He said the process would be like government "hiring people to come and work for it; but it is not privatizing customs.

"We are not taking the customs away to give it to foreigners completely. We are hiring these people, in a sense, to come and work for government, and we will pay them based on what they will collect," he said.

The Liberian leader stressed that the "private people" will be here for a certain time during which they will train our people, so that when they leave, Liberians will take over.

He said the team would be something like the OPEX [expansion unknown] team which was in the country last year to supervise certain areas of the economy.

* PRC Hospital Reopens After Renovation

34000114A Monrovia *DAILY OBSERVER* in English
6 Dec 89 p 3

[Excerpts] The Chinese Cheng Long Hospital in Congo Town, opposite the Ministry of Health now under construction, has reopened.

Disclosing this to the DAILY OBSERVER last Thursday, the director of the hospital, Mr. Liu Yu Ling, said that the hospital is resuming normal operations after six months of closure.

Explaining reasons for the closure, Director Ling said the management deemed it necessary to close the hospital for some major renovation work.

Director Ling further disclosed that following the renovation, some modern medical equipment estimated at about US\$500,000 has been installed at the hospital. They include dental, x-ray and laboratory machines.

He added that eight doctors, including a dentist and a Chinese traditional medicine and massage specialist, have already arrived in the country to work at the hospital. [passage omitted]

Asked whether the closure of the hospital was linked with the suspension of diplomatic ties between Liberia and the People's Republic of China, Director Ling said that the hospital was simply closed for renovation and other reasons which he did not care [to] give.

Mr. Ling, who is also the representative of the Chinese Corporations and manager of the China Heilongjiang International Economic and Technical Cooperative Corporation in Liberia, added that when operations at the hospital get into full swing, over 100 out-patients will be treated daily with enough room for 20 in-patients. [passage omitted]

* Paper Focuses on Lebanese Business Methods

* Observance of Regulations

34000114B Monrovia DAILY OBSERVER in English
13 Nov 89 p 3

[Article: Headline: "Lebanese Warned Against Bad Business"]

[Excerpts] The president of the World Lebanese Cultural Union, Dr. Khalil Khoury, has said Lebanese nationals living and doing business in Liberia must cooperate with government for the speedy recovery of the nation's economy.

Accordingly, Dr. Khoury has called on all Lebanese to "strictly abide by government's regulations as they are made known," as well as endeavour to "play a constructive role in the economic life of the nation."

Dr. Khoury's remarks were contained in a statement he delivered recently at a general meeting of Lebanese nationals held at the Cedar Club in Sinkor to discuss the foreign exchange issue in Liberia. [passage omitted]

Dr. Khoury recalled that the Liberian Government has always provided protection for all Lebanese in the country during times of crisis, and added that in return

for this, the Lebanese community has a duty to assist the nation [to] achieve speedy economic development. LINA.

* Critical Comment

34000114B Monrovia DAILY OBSERVER in English
4 Dec 89 p 4

[Article by Biidi Elliott: "The Lebanese Influence in Liberia"]

[Excerpts] The Lebanese are the best organized interest group in Liberia. They wield immense power and influence on the social, economic and political life of the Republic. [passage omitted]

Holding a virtual monopoly, Lebanese conglomerates supply the demand of the Liberian food market. Our strategic weakness, rice, is fed by Lebanese grain companies and consortiums exploiting considerable power over us through our bellies.

How easily they throw us into panic with their unreliable supply schedules forcing us to allow them more and more trade concessions.

Well aware of the fundamental relationship between consumer demand and price of product, these merchants cunningly manipulate these indicators, creating periodic shortages either calculatedly because of our reliance on their imports, or by our active connivance in the nefarious bleeding of the sore wound that is the economy. [passage omitted]

We have cursorily mentioned the Lebanese control of our food needs, particularly rice, but extending to just about every consummable commodity on the market.

A look at other sectors will reveal the gullible way we have permitted them to stretch their tentacles into the very life blood of our national well-being.

In construction, they build our buildings to questionable standards. Statistics will no doubt show that Lebanese construction companies receive the lion's share of contracts, much to the dismay of Liberian contractors who must accept the crumbs thrown their way to quieten their outcries of foul play. [passage omitted]

Niger

* Significance of Informal Sector Discussed

90EF0233A Niamey LE SAHEL in French
20 Dec 89 p 5

[Article by Ide Fatouma: "Informal Sector: An Area Generating Substantial Revenues"]

[Text] Self-employment in the informal sector is one of the keys to the future for young people. ILO [International Labor Organization] INFORMATION mentioned this in one of its issues. For the moment, one can only recognize the importance of that sector in the economic

and social field. Thousands of people lacking a paid job carry on relatively profitable activities in that sector. They are blacksmiths, shoe repairers, tinsmiths....

In addition to the Boukoki market in Niamey, where most such workers are established, they are also seen in several other parts of the city. Furthermore, these different activities create jobs for young people who are coming of age. These young people serve as apprentices for professionals. After a certain time, they, in turn, create their own shops and recruit other persons.

It is now clear that this still unstructured sector occupies a favored place in the struggle against unemployment.

In the economic field, such minor activities (bootblacks, manicurists, busboys, private house guards, wine keepers, etc.) create income. And today manufactured objects are much sought after, for example, in the field of agriculture. In a word, the sector offers considerable benefits to the Nigerien economy. Is that what has encouraged certain workers to group together according to their activities? In any event, there now are several associations of this kind in Niamey. These include the association at Boukoki of blacksmiths, tinsmiths, and makers of kitchen pots, that was created in Niamey in November 1988.

The stakes are considerable, because the more people who carry on the same activity become grouped together, the more they exchange their ideas and defend their interests.

But it is not only in Niger where men earn their living in the informal sector. The ILO document states that in Latin America there are nearly 30 million such people, and their work represents 40 percent of urban employment. In Asia, [informal sector] production is between 40 and 70 percent, while it is more than 40 percent in African cities.

According to the same source, however, this sector "remains the stepchild of national economies and receives hardly any encouragement, whether in the field of credit, or through regulations."

In the field of training, for example, the document maintains that training should come from the streets, and points out the absence of [worker] benefits in the informal sector, compared with enterprises in the modern sector.

A recent ILO study also affirms that, taking into consideration the fact that millions of young persons have their future in this field, training should occupy a preferred position.

The Nigerien experience is instructive in this connection. Training courses are often organized in Niamey for those already engaged in this sector. For example, that is the case for tailors. And it is estimated that the improvement they may obtain will help to better their working conditions, strengthen productivity, and eventually increase their incomes.

ILO INFORMATION thus suggests a reorientation of current systems. In order to do that, one must examine the priorities set forth in educational and training budgets, and allocate funds accordingly; use facilities and personnel more effectively; and eliminate all obstacles to training, in particular, unreasonable requirements; eliminate problems that may arise as a result of working hours, the length and location of training; and finally, reduce the costs, allowing each instructor the opportunity to train more people by shortening the training period and by making those who have the financial means pay.

During this period of recession, when it is not very certain that all young people of working age will find paid employment, the informal sector warrants particular attention.

Nigeria

* Political Implications of FIFA's Ban Viewed

34000389 London AFRICA CONFIDENTIAL
in English 12 Jan 90 pp 4-5

[Text] The Nigerian military authorities are still smarting from the shock of the recent decision by the Federation of International Football Associations (FIFA) banning the country for two years from participating in FIFA-organized competitions that have age limits. This occurred at the end of FIFA's 8 December executive meeting in Rome at which the draws of the 1990 senior World Cup competition were announced.

The reason given by FIFA was that a clear case of 'negligence in the ages of players in youth competitions' had been established against Nigeria. Although this irregularity has been the subject of rumors and gossip in soccer circles, nobody up to then had come up with any firm proof. With the ban went Nigeria's hopes of hosting the 1991 Junior World Cup.

For the Nigerian military authorities this news could not have come at a worse time. The political transition programme has lost considerable steam as evidenced by the widespread apathy and cynicism that greeted the recent announcement of the manifestoes of the two political parties inaugurated by the government in October (AC vol 30 no 21). Reported to be personally upset by the FIFA clampdown is President Ibrahim Babangida. A reputed soccer enthusiast, General Babangida is popularly known in Nigeria by the nickname of 'Maradona' in recognition of his supreme political artistry and ability to dribble round Nigeria's political minefield.

Babangida had been using football as a weapon in his political armory, not only basking in its reflected glory but also co-opting former opponents. He had hoped to stage in 1991 a spectacular show of soccer pageantry which would also have coincided with the countdown to

his voluntary retirement as Nigeria's Head of State come October 1992. To this end the authorities had already started top-level preparations. The government had committed a sum of 120 million naira towards the renovation of five stadia chosen for the events. The National Sports Commission (NSC) and the Nigerian Football Association (NFA) were reconstructed. Babangida was reputed to have personally ordered the reinstatement of Air Commodore Tony Ikazoboh who was said to have performed wonders in his first stint as NFA boss. In addition to these, a Presidential Task Force was organized, headed by M. K. O. Abiola, the highly-visible ITT boss and presidential aspirant. These preparations have now been scuttled as a result of the FIFA directive.

The love of soccer is about the only thing on which there appears to be a national consensus in Nigeria's fractious polity. Successive administrations have shrewdly exploited this nation-wide passion for football. In 1973 there appeared a famous picture of General Yakubu Gowon, then Head of State, in soccer outfit with the Green Eagles, the national football team, after it had won the soccer trophy at the All-African games held in Lagos. In July 1985, General Buhari cut short his sick leave in his Daura hometown and immediately flew to Lagos in order to be seen with the national Under-16 team which had just returned from China with a historic gold trophy.

General Babangida has even gone a step further than his predecessors. At every home meeting of the national team, the scoreboard is awash with messages and exhortations from the general. In February 1989 after the nation's under-20 team won the silver medal in Saudi Arabia, the general declared a public holiday and awarded each member of the team a record sum of 75,000 naira.

The appointment of Chief Abiola to the top soccer assignment marked what observers believed to be the beginning of a political rapprochement between the two estranged friends. The relationship between Babangida and Abiola had sharply deteriorated over Abiola's ordeal at the hands of some airforce personnel in February 1988. Abiola was held hostage in his house until the intervention of higher authorities. But observers believed there was a political dimension to the feud, more so when the chief used the occasion to issue a sharp political challenge to Babangida himself. Abiola's presidential ambition was well-known at this point. So was Babangida's determination to prevent any member of the old political class from succeeding him. At the climax of the crisis, Abiola's passport was seized by security men at the Mohammed international airport as he was about to leave the country. Abiola has fought his political disqualification all the way in the law courts and lost. Since then, the relationship between the two men has been considerably strained.

The aftermath of the FIFA ban has left the Nigerian Authorities with an unpleasant political situation. Bitter complaints about the corruption, dishonesty and decadence that have bedeviled Nigeria's public life have been revived in the press. Critics of the government have seized this political whip and used it to devastating effect. This appears to be causing the government terrible embarrassment. It may also further dampen enthusiasm in its political programme. The renowned social critic and crusader against corruption, Tai Solarin, welcomed the FIFA ban and acidly observed that 'a nation of corrupt people can never expect to be great.' Solarin had months earlier alerted the nation to what he suspected to be anomalies in the declared ages of Nigeria's under-20 team. Also, in a pointed retort to Vice-Admiral Augustus Aikhomu, Babangida's number two who called the ban a slap in the face for Africa, Fela Kuti, the militant musician and gadfly was reported to have told Aikhomu to 'add my own hand to the slap'. For, according to Fela, Nigeria is internationally recognized as a dishonest nation.

The controversy seems to have revived old animosities about the government's inability to deal with corruption in Nigeria's public life. This may lead to a further erosion of the government's political and moral authority at a time it needs them most to convince skeptical Nigerians of its determination to set a new agenda for the country. The political repercussions may be grave for General Babangida's delicate equations. For example, Solarin had only recently been appointed by Babangida as chairman of the People's Bank of Nigeria after a period of active opposition to the government which led to brief spells in detention in 1989. In a poisoned moral climate, he could be expected to resume hostilities.

To further complicate the crisis for the military authorities, there are those who believe that it is people like Solarin who, through their unguarded attacks, called the attention of FIFA to the age discrepancies. They are therefore calling for his head. This group is led by Hassan Sani Kotangora, a scion of northern Nigeria's feudal establishment and publisher of the militantly conservative magazine, Hotline. This may lead to the revival of the dormant north-south antagonism and the allegations that a section of the country is trying to soil the image of Babangida's administration with all the unpleasant ethnic connotations. It is the last thing General Babangida would wish in these politically difficult times.

Meanwhile, the Nigerian government has launched a high-powered inquiry into the whole affair. It is hoping to apply international political pressure to FIFA to change its mind. It appears that the love of soccer which has united the country in the past is now a political embarrassment.

Senegal

* 'Sopi' Fills Political Vacuum; Leader Zigzags

34190059A Dakar SUD HEBDO in French
28 Dec 89 p 3

[Editorial by Demba Ndiaye: "Sopi: Our Hope for the Present"]

[Text] The decade just ended in Senegal has been one of muscular confrontation between liberalism—the swan song of many a government lately—and the revolt of the social majority crushed by the tribulations of daily life....

Some people look on Mr. Abdoulaye Wade as the "messiah" who "revealed" the new religion of "Sopi" [Senegalese Political Party slogan meaning change], while others think he is merely riding on the back of a movement that is already quite irreversible. In any event, his name is historically tied to the movement that calls itself "Sopi." Created at a time when the country was in the depths of despair, the Sopi movement has indelibly marked the decade with the people's "aspiration for a better life." The economic crisis became a permanent fact of life, and it destroyed much of what had been built up before. By forcing the country into a structural adjustment program, it completely altered the social function of private enterprise. Civil servant job security melted like butter in the sunlight. In addition, by forcing budgetary discipline, the crisis reordered priorities: social services (especially education) were deemed unprofitable. Schools came to be seen as "unemployment factories." Dreams were shattered, the future was clouded with uncertainty ("no future," as young people in the West were saying at the beginning of the decade), and in Senegal young people who fell under the spell of "Sopi" took to the streets. True, unusual circumstances (election campaigning and rhetorical excesses) conspired to add momentum to the insurrection. But it really was an "insurrection of hope" against an exclusivist society. Neither destructive excesses nor political exploitation can obscure the profoundly insurrectionary character of the movement.

Historians will probably see Mr. Wade's "impatience" as the "dominant aspect" of his strategy for coming to power. He always acts as if he is racing against the clock. His detractors in the PS [Socialist Party] say he is racing against old age. This pell-mell rush is accompanied by a

characteristic zigzagging that has hampered him in his tactical alliances (with the opposition), his negotiations (with the government) and his relations with the "Sopist" movement. Thus we saw the "Eight" in 1983, the Senegalese Democratic Alliance (ADS), the "Eleven," the Sopi "Three" and then the Sopi "Two": all this zigzagging, the consequence of unbridled manipulativity. The same trait appears in his relations with Sopi supporters at the grassroots level. In 1983, after the elections, Mr. Wade veered from one extreme to another in a single week (the two rallies of the southern triangle). At the 7 March meeting he announced before a supercharged crowd that he was ready to "give his life" in the streets to "bring down Diouf the usurper." A week later he poured cold water on an even more numerous and enthusiastic audience: "I am against seizing power by violence in the streets," he told the astonished militants. He did almost the same thing again in 1988 with the "National Round Table To Discuss All The Problems." But this time he took other people along for the ride. Following the stunning announcement in March 1988, that a new agreement had been reached with Diouf and Collin on formation of a national unity government...he denied the story before the day was out. These reversals, although they may not have dampened aspirations for "change," have, nonetheless, seriously impaired relations between the leadership and the base of the movement: proof again that Wade is more the instrument than the soul of the movement.

Questions

Will the Sopi movement outlast the 1980's? In the political vacuum of the last two years, the regime has gone into a state of political convalescence. Major initiatives to "purify" the young people of their previous "unwholesome" attitudes are the main subject of official speeches. And that makes one suspicious. The post-election upheaval, the "blank" year of 1988, and the cancellation of university classes for the new year all point to the likelihood that the Sopi movement is here for the duration. Born in the throes of crisis, it will survive so long as the crisis itself. But with a new center of gravity and new political reference points. Many questions about its future direction are still unanswered. But given the chronic nature of the crisis, we see no sign that the aspiration for change is going to subside. The tempo may change. The objectives may be different. But the basic goal is still the same—to change things.

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